The Structure, Theory and Practice of Partnerships in Rural Development

ARRG National Rural Economics Seminar
27 - 29 May, 1993, Merrickville, Ontario

ARRG Working Papers Series
Number 5
1993

Rural Development Institute
ARRG WORKING PAPERS SERIES

NUMBER 5

SELECTED PAPERS FROM

ARRG NATIONAL RURAL ECONOMICS SEMINAR

THE STRUCTURE, THEORY AND PRACTICE OF PARTNERSHIPS IN RURAL DEVELOPMENT

Merrickville, Ontario

27 - 29 May, 1993

Richard C. Rounds, Editor
Director, The Rural Development Institute
Brandon University

The Canadian Agriculture and Rural Restructuring Group
1993

"A Program of Research, Dialogue and Dissemination On the Future of Rural Societies in Western Industrial Nations"
Canadian Cataloguing in Publication Data

ARRG National Rural Economics Seminar (1993 : Merrickville, Ont.)

The structure, theory and practice of partnerships in rural development

(ARRG working papers series ; no. 5)
Includes bibliographical references.
ISBN 1-895397-25-1

1. Rural development - Canada - Congresses.  
2. Cooperation - Canada - Congresses.  
3. Cooperative societies - Canada - Congresses.  
4. Economic assistance, Domestic - Canada - Congresses. 

INTRODUCTION TO ARRG

In 1987 few Canadians were talking "rural." Globalization was rapidly becoming a buzzword to explain perplexing economic problems emerging for agriculture, forestry, mining and fishing. Problems continued to plague the efforts to diversify Canada's rural economy. The consolidation of rural trade centers in predominantly agricultural economies over many years had become a question of survival for many agro-rural communities. Benefits of technological change were being questioned.

A small meeting was held in Regina in October 1987 prompted by the concern that rural people, their businesses and communities required greater consideration in public policy, research and education. The topics were restructuring, globalization and technological change. Out of the papers and debates by the dozen or so people, a decision was taken to form the Agricultural and Rural Restructuring Group (ARRG). This network of academics, civil servants and rural practitioners dedicated themselves to building new knowledge and applying their diverse educations and experience to rural problem-solving.

The process adopted by the group centered around research, joint-venture education through conferences and workshops held in rural places, and improving policy awareness about rural issues. Since then, five sets of national workshops and conferences have been held. Liaison has been established with similar interests in Europe and the United States. It has become apparent that a global change in the rural and policy mind-set in many countries is beginning to come about on the search for solutions and initiatives.

The main efforts of ARRG have been in organizing annual rural policy conferences which have provided fora for rural policy-makers and practitioners to meet and to debate issues of mutual interest. Each national workshop has been preceded by a "think-tank" workshop where invited researchers have met to prepare the agenda and presentations for the conference.

In 1992, the Canadian Rural Restructuring Foundation (CRRF) was formed. Its mandate is to garner resources and to facilitate creative responses to the effects of structural shifts in rural Canada through the auspices of ARRG. The purpose of the foundation is to foster wide coalitions of interest among private enterprise, communities, governments and universities. For further information, please contact:

Dr. L.P. Apedale, President  
Canadian Rural Restructuring Foundation  
515 General Services Building  
University of Alberta  
Edmonton, AB T6G 2H1

ABOUT RDI

The Rural Development Institute of Brandon University commenced activities in 1989, with a mandate to coordinate and conduct research related to rural Canada. The Director was to work in a cooperative manner with all levels of government, rural groups and citizens, and the university community. RDI responds to information requests from five sectors of rural society: 1) an External Advisory Committee (EAC) comprised of representatives of rural organizations, 2) the Manitoba Department of Rural Development, 3) the University community, 4) other federal and provincial Departments dealing with rural issues, and 5) rural towns and villages. Once the research agenda is set, RDI develops proposals to address issues, recruits qualified researchers, acquires funding, assists the research process, and publishes and disseminates results. In 1991, RDI assumed the responsibility of evaluating, editing and publishing proceedings or individual papers for ARRG. A list of recent publications appears on the back cover of this paper.
During the last few years partnerships have become a major tool to promote rural development. As declining populations and a weakening economy for primary production combine to place pressure on rural citizens and communities, their strength of numbers becomes more important, and cooperation becomes a more functional strategy than competition. This is especially true for expensive essential services such as healthcare and education.

Partnerships, however, are becoming more common in all aspects of rural development. The Community Futures program of Employment and Immigration Canada serves as a model for promoting bottom-up development that includes government. The two lead articles in this publication review various aspects of how Community Futures programs attempt to draw a community into all facets of development. The authors use three case studies to illustrate the process of progressive involvement in bottom-up development and to outline the necessary steps to work through the unique difficulties that will be encountered in each community.

The third paper is a theoretical discussion of why partnerships are necessary, and how they slot into economic theory. A number of important concepts are presented within the framework of competition-predation in systems behaviour. The important prerequisites for effective partnerships are reviewed, and the common methods used to "hijack" the process are discussed.

The fourth article reviews the development and functioning of partnerships between or among communities. Based on a major conference and extensive personal experience, the author traces the critical steps in the "typical life cycle" of multi-community collaboration, and stresses the problems that many arise during each phase. This paper is essential reading for anyone involved in inter-community partnerships.

The fifth paper is a first look at results of some new programs that involve senior governments in partnership with Aboriginal peoples. Although the new programs are said to be a major step forward, the overall results are discouraging because senior governments have difficulty not only working together, but also in empowering citizens as equal partners. The Inuit experience may be instructive as other First Nations begin to enhance development of their communities.

The final three papers concern various aspects of cooperatives as a strategy for promoting rural development. Following a brief introduction to the bureaucratic structure of the cooperative movement, the multi-faceted network operated by Co-op Atlantic is discussed. The treatise goes beyond description to explain the new thoughts, programs and potentials of cooperatives. The final paper explains how the New Brunswick fishermen have restructured their co-ops in an effort to sustain economic activity in their villages. In total, these three papers present a new perspective on an old strategy.
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**NEGOTIATING PARTNERSHIPS FOR COMMUNITY DEVELOPMENT**

*David Freshwater, University of Kentucky*
*Lynn Thurston, International Development Research Centre*
*Phil Ehrensaft, Universite de Montreal*

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THE STRUCTURE, THEORY AND PRACTICE
OF PARTNERSHIPS IN RURAL DEVELOPMENT
CHARACTERISTICS OF SUCCESSFUL COMMUNITY DEVELOPMENT PARTNERSHIP STRATEGIES

David Freshwater, University of Kentucky
Lynn Thurston, International Development Research Centre
and Phil Ehrensaft, Universite de Montreal

Partnerships are increasingly seen as the primary vehicle for bringing about community development. Building and managing successful partnerships are a key element in the success of the Community Futures Program, as well as in other promising contemporary federal, provincial, local and regional development programs. But, the concept of a partnership in a community development context is imprecisely defined. It is understood that successful partnerships involve the participation of various levels of government, local community groups and individuals, and businesses and business organizations. How the set of diverse interests encompassed by this collection of entities are reconciled and organized to achieve common goals lies at the heart of the question of how successful partnerships are formed. The analytic perspective and case studies in the report are used to propose lessons from past and present partnerships which can serve to improve future actions in local development.

The Community Futures (CF) program has as a primary goal the fostering of successful locally-based development initiatives within each Community Futures area (See Box 1 for a brief program description). The primary interest of Employment and Immigration Canada (EIC) in operating the CF program is in increasing the potential for enhanced levels of income and employment in these communities, as a way to improve the demand for labor and reduce outlays on unemployment insurance. The program is targeted on small communities experiencing above-average levels of unemployment or other forms of significant economic decline. But, to create a sustainable development process CF has to foster local partnerships that are committed to community development.

From our research, we suggest that successful local community development partnerships involving Community Futures involvement have the following characteristics.

- Partnerships are viewed by the local Community Futures Committee (CFC) as evolutionary and not static. At different stages different groups form partnerships for different purposes. Because partnerships are evolutionary, the mix of skills needed within the CFC changes over time. Either new committee members have to be added or existing members have to be retrained.

- As local partnerships evolve, the CFC shifts its emphasis from strengthening its partnership with EIC to strengthening its partnerships with local groups and local government.
- Over time, the focus of the CFC shifts from an initial emphasis on developing a strategic plan for the community to planning how the CFC, itself, can work within a community driven development effort.

- As partnerships evolve, the CFC shifts its emphasis from carrying out development activities directly, to supporting the development activities of its partners.

BOX 1

THE COMMUNITY FUTURES PROGRAM

Community Futures is a locally based self-help program operated by Employment and Immigration Canada to assist small communities to work toward economic development. The Federal Government provides funds to a local committee to be used both for planning and for business and infrastructure development. The program embodies two broad thrusts of Canadian policy: (1) comprehensive planning for development, and (2) a focus on linking groups of communities into a single development unit.

Initial infusions of Federal assistance in the form of money and technical assistance are viewed as seed capital that allow the community to begin growing. The program employs local labor markets to define regions and the managing Community Futures Committee is selected from local leaders. Federal funds are provided over a five year cycle with relatively few strings attached in terms of specific uses. The community must develop a strategic plan that shows how Federal assistance can be used as leverage for development. Some communities focus on eliminating major gaps in infrastructure or facilities, others focus on providing enhanced employment skills to the local labor force, others focus on directly assisting local businesses.

Community Futures supplements more traditional labor force programs that focus on providing education and skilled training to workers, and facilitating job searches. By contrast, CF focuses on the community rather than the individual. Improving both the skills of the labor force and the capacity of the community is seen as increasing the odds of successful economic development.

The goal of the program is to build economic capacity by stimulating cooperation within each region. By providing a carrot in the form of a multi-million dollar assistance package and some direct technical assistance EIC tries to encourage the formation of local partnerships. Federal assistance allows the development process to reach a take-off point where it can become self-sustaining. For most communities this will take a second five year cycle of funding. The Federal government views this investment as a better alternative than continuing to rely on simple income transfers in the form of unemployment insurance and welfare payments.

As the Community Futures program progresses through Phase 2 it is increasingly important that EIC develop a better understanding of how successful community partnerships develop, and how their development may affect the relationship between the Community Futures Committee (CFC), other community organizations and EIC. Our perspective on these partnerships is that they are evolutionary in nature. In the report, we develop a model of an evolutionary partnership process that describes how successful locally based community development, using the Community Futures Program, unfolds (The methods we used are discussed in Box 2). As the CFC builds its relations within the community this will likely require significant restructuring of the partnership between EIC and the CFC to accommodate the development of stronger partnerships within the community. If EIC unduly limits this adjustment because of bureaucratic rigidity and a desire to "retain control", the likelihood of the CFCs becoming locally based development organizations, rather than dependent proteges of EIC will be reduced.

In the balance of the report we first discuss the basis for, and general characteristics of, successful locally based community development strategies. We then comment on the applicability of the literature on partnerships in the context of organization theory and the general literature on partnerships in public administration. Next, we suggest how these models of partnerships can be applied to the Community Futures situation. The resulting model is then used to discuss how the CF program might evolve over time in order to facilitate the community development process in participating communities. This is followed by more specific discussions of the partnership process in the case communities; and finally implications for the program, EIC and the communities are drawn.
THE DEVELOPMENT CONTEXT

Local development has become an increasingly complex task for communities in recent years and will become more complex in the future. In past decades, the initiatives of a few highly motivated individuals or delegated authority to an economic development corporation were often sufficient to accomplish most local development objectives. With the economic restructuring of North America in recent decades, successful development efforts now require more systematic relations involving a broader set of participants. Partnerships of diverse interests have become the new watchword in community development.

Economic development is more commonly seen as one component of community development. Traditional efforts to improve income and employment, such as industrial recruitment, are now weighed in a context that also includes quality of life, cultural stability and social issues. This brings a broader group of interests and perspectives to the development debate. Citizens expect and demand that their governments respond to this new situation, and this means governments are moving towards more explicitly developmental policies rather than focusing strictly on economic growth. In turn, the new developmental policies require partnerships with representatives of diversified local labor forces and local institutions in order to work.

THE COMMUNITY-BASED DEVELOPMENT MODEL

In the last ten years there has been a growing emphasis on the necessity of sustainable community development programs being built upon locally-based development initiatives. Evidence from the failure of "top-down" programs, once financial assistance from senior government was withdrawn, is the primary source of this emphasis. But, the limited number of success stories when communities are left solely to their own devices also suggests the need for some external support in developing local capacity to engage in development activity.

Paralleling the recognition of the intrinsic weakness of earlier "top-down" approaches has been a shift in responsibility from federal and provincial governments to local governments (Kitchen, 1992; Owens and Norregaard, 1991). In part, this reflects a fundamental rebalancing of powers and responsibility in the Canadian federal system of government, while in part it reflects the growing level of deficits in the national
and provincial budgets. As a result, local governments are now in the position of being responsible for a greater share in the delivery of basic social and public services. But, local governments have not received a corresponding increase in revenue.

For the local community, economic growth becomes the only way that the increase in responsibility can be reconciled with flat or declining levels of direct support from senior levels of government and accompanying mandates for higher levels of services. Further, the primary impetus for economic growth has to come from within the community. The community has to find ways to mobilize its internal resources, combine these resources efficiently with whatever levels of external support are available, and move toward generating a sustainable economic base. Forging strong community development partnerships turns out to be a critical element in achieving this task.

**Business Partnerships, Government Partnerships and Community Development Partnerships**

The general theory of organizational behavior is the starting place for our examination of Community Futures partnerships. "Organization theory is the body of thinking and writing which addresses itself to the problem of how to organize" (Pugh, p.ix). Central issues in organization theory revolve around the relative merits of formal versus informal organizational structures and the importance of motivating individuals versus groups. As relationships among organizations have become increasingly complex there has been a growing recognition of the importance of measuring the effectiveness of these relationships (Siegel, Clayton and Kooor, n.d.).

There are important differences between business partnerships and community development partnerships involving government organizations, local interests groups and businesses. These revolve around the more complex nature of goals in community development, the difficulty in specifying mutually acceptable actions, a general shortage of resources, and difficulties in defining measures of success. Goals in a community development context are less precise in the sense that they are more subjective. Enhancing the quality of life in a community is harder to define than say, reaching a target rate of return on equity of 15 percent in a business.

In a community development context there is also a less apparent hierarchy of goals. In a typical business context profitability is generally considered by the partners to be the dominant goal. In a community development context it is harder to rank goals, such as quality of life, population growth, higher levels of income, and community stability. As a result, when goals conflict it is harder in a community development context to determine how to proceed. As O’Looney (1992) notes, there are also major differences between business and government in the degree of emphasis that each places on flexibility and accountability in structuring partnerships. In a business partnership means are less important than results, while for government the means must meet an acceptable standard of practice.

One of the key objectives of community development is to change the way that communities function (Kaufman, n.d.; MacNeil, 1993). Development of the community necessarily involves local interest groups in the partnership to a greater extent than would be required if increasing the level of economic activity in the community is all that is required. In effect, there is a broader range of diverse, locally-based interest groups that need to be included in the partnership process, if community development is to be successful.

In addition, in community development there are no clear boundaries between the actions of the partners and actions of others in the community - externalities are ubiquitous. In a business partnership while there are external forces that act upon the partnership these for the most part can be anticipated and dealt with. In a community development context the impact of the partnership decisions inevitably spills over onto the
larger community and there is little that members of the partnership can do to insulate themselves from or adjust to community actions.

Resource scarcity in the community development context also has a more questionable interpretation than in a business context. In a business environment an inability to assemble resources to undertake an activity can be interpreted as a vote of non-confidence in the project by capital markets. In this context the unwillingness of resource-holders to invest is interpreted as a belief that the objectives of the partners do not meet social needs as judged in the market-place. In a community development context resource scarcity has a different interpretation. There is no coherent link between investors in capital markets and the desirability of a community's development goals. Other than in a very abstract world, one does not expect that residents of a community would move on to another location because capital is scarce, as one would expect partners in a business venture to seek another project. Because we have no strong belief that capital markets have much to say about community development goals we do not assume that inadequate resources necessarily means development cannot or should not occur.

Finally, it is much harder to measure success or failure in a community development partnership. In a business partnership it is possible to define milestones or targets for the agreement and measure performance against these targets. In a community development context this is much harder. This reflects the lack of a common denominator, money, for measuring outcomes as well as the difficulty in defining goals for the partnership. It also reflects the relatively longer lags between implementation and outcomes in economic development partnerships compared to business partnerships.

There are major differences between the perspectives and requirements of various groups, such as government, business and voluntary organizations, that must be appreciated if community development is to be successful (O'Llooney, 1992; Rubin, 1990; Edwards and Mulder, 1992; Armstrong, 1992; Bryant, 1993). However, it is difficult to claim that each group has a set of motives or characteristics that is uniquely its own. Often, the motivation for forming partnerships is based on a complex set of factors.

What appears to be evident in partnerships between the private and public sector, however, is the need for trade-offs between accountability and flexibility (O'Llooney, 1992). While public sector enterprises tend to value and create means of accountability, private sector enterprises are structurally and culturally more flexible. In community development programs, this balance between accountability and flexibility is often a difficult one to negotiate.

Some of the new theory of organizations has a bearing on the creation of development partnerships. Large corporations with multiple divisions and independent management do not readily fit into a simple profit-maximization framework. The study of successful corporations focuses on how they develop a set of goals that can be understood and implemented at all levels of the corporation. While there is no best structure it does appear that a clear and simple set of goals is central to success. Too many or too complex a set of goals leads to confusion (Miles and Snow, 1990:130). Once the goals are set the structure should follow the goals.

The management of development partnerships also can profit from the literature on how the external environment affects organizations. Rather than firms controlling their environment they are constrained by it (Pfeffer and Salancik, 1990). This is clearly the case for CFCS, which have to negotiate prior to conducting virtually all their activities. Identification of the goals of others and developing the bargaining skills to bring other groups into coalitions or partnerships become critical skills for organizations to develop.
Attributes of Successful Partnerships

There are numerous models for structuring a community development partnership, and there are examples of communities that have successfully implemented various partnership arrangements. The literature on community based development has reached the point that the attributes of a successful community can be described in terms that are fairly widely held (Fitzgerald, 1992; Bryant, 1993; MacNeil, 1993; Kickbusch, 1989; Shaffer, 1988). Our description of the characteristics that these various authors cite is as follows:

- A generally held belief in the community that the earlier situation was untenable, and that the fate of the community rests upon its actions, and not an external force, in successfully implementing a fundamental change in the nature of the community.

- A recognition that a joint effort is required between government, business and voluntary organizations to improve conditions in the community. This joint effort seeks, in part, to shape new directions for the community, consolidate scarce financial and organizational resources, and share costly or information-intensive investments in the community. It is a multi-sectoral, interdisciplinary effort that requires a new set of partners and a new set of relationships among organizations.

- The existence of a set of mutual and negotiated goals that reflect both the major interests of the partners, and the major concerns of the community at large. A partnership agreement does not have to incorporate all the diverse goals of the individual parties, but it should include all their major goals, and the agreement should reflect the general sense of the community, including those not formally part of the agreement. This implies a broad base of support within the community.

- Most of the goals have meanings within the community so people understand that they are talking about the same thing. Where a goal has an imprecise meaning, a program or project may be used to define the goal so people can relate to something specific. For example, building community pride is an abstract concept, but the Welland murals project became a concrete example of a way to build community pride.

- A process of sequencing programs or projects that provides evidence that progress is being made, and an ability to show that these programs/projects have some coherent direction that will help the community.

- An ability to fold new groups and concepts into a larger program, and to withstand the withdrawal of other groups and individuals.

- An ability to assemble resources from a wide range of sources including various levels of government, local groups, businesses and individuals.

While these attributes reflect most successful communities, there is little consensus on how one builds the characteristics in a community. Our objective is to show how a successful partnership can evolve in communities that initially lack these attributes. Through appropriate use of the Community Futures Program the three communities we describe, and others we have experience in studying, have managed to move a long way to developing the characteristics set out above. Describing how this evolution takes place is the main contribution of the report.
PARTNERSHIPS AND COMMUNITY FUTURES

The literature on community development partnerships is still evolving, and while much of the literature on the development of business partnerships is relevant, it can only suggest broad directions for analyzing community partnerships. In addition, the Community Futures program represents a unique effort to stimulate local development, and our understanding of the strengths and weaknesses of the program is only emerging as it develops. While our model is primarily based upon an assessment of the literature, and our past experience with the CF program and other community development efforts, it is grounded in discussions on partnerships with three CFCs, which are generally seen as successful in their use of the CF program and are engaged in making the type of transition we describe. These communities Coaticook, Quebec, Digby, Nova Scotia and Welland, Ontario represent three different phases in the development hierarchy and different situations. While we recognize that the three cases are not role models for other CFCs, they do suggest that the basic model of community development using the CF program that we describe has a basis in reality.

We think a focus on the evolution of the community rather than on the evolution of the Community Futures program is important. The critical issue for those interested in development partnerships is understanding why certain approaches work in some circumstances and fail in others. Since there is no specific approach that can be said to be best, the pivotal determinant of success and failure must lie in the community rather than in the program. Thus, understanding how successful communities make use of programs to change themselves is the best way to understand community development.

This is not to say that specific program approaches may not be better suited to the characteristics of particular communities; rather it suggests that there may be pre-conditions, or necessary characteristics, within a community for any approach to be successful. Most importantly, it argues that development partnerships are not static, and that at different stages the group leading community development efforts must focus on forming different types of partnerships. This is an issue that has been addressed only peripherally in the literature, because we lack a full understanding of the dynamics of local community development.

COATICOOK

Coaticook is adjacent to the small metro region of Sherbrooke, and is composed of 10,000 residents in small towns and rural municipalities that surround a small industrial and agricultural service city of 6,000. Coaticook has a dual specialization in dairy agriculture and a manufacturing sector which was traditionally centered on clothing and wood products and is now necessarily diversifying into other activities.

The city of Coaticook is surrounded by one of Canada’s more prosperous dairy hinterlands. The farm entrepreneurial population that is now in place after the massive 1945-70 downsizing of the agricultural labor force is 1) well-organized sectorially via the county branch of the Union des Producteurs Agricoles, which is highly effective in representing farm interests; and 2) well represented politically through the mayors and councillors in the rural municipalities that surround the industrial city of Coaticook.

Coaticook, the principal market town, is also a small industrial center that was one of the first localities to participate in Canada’s mid-nineteenth century industrial revolution. The Coaticook Gorge’s waterfall provided first mechanical waterpower and then hydroelectric power for milling, textiles and woodworking. Most of the industrial labor force of the city of Coaticook has historically worked for larger national or international enterprises that dominated the industrial base.

During the early 1980’s, county boundaries in Quebec were redrawn to create the new "Municipalites Regionales de Comte" (Consolidated Counties). The boundaries of the new MRC’s tend to reflect real socio-economic regions defined by commuting and shopping patterns. In Coaticook the CFC came into existence shortly after the new county boundaries came into effect and had the opportunity to mediate conflicts in the newly created Coaticook Regional County council which had provided a new battle ground, and thus heightened the conflict between rural agricultural and urban industrial interests. The major and probably primary task for the Community Futures Committee was to negotiate a social and economic pact between the two conflicting groups.

However, resolving the conflict required the use of a major project to draw the diverse interests to the table. The Agricultural Initiatives Center project refurbished a large dairy barn as a dairy demonstration project and herdman training facility. In the process of developing this project the CFC was able to establish partnerships with the various groups and use this relationship to facilitate a broad based development planning initiative. Subsequently, the CFC has moved on to develop more of a catalytic role.
As we have noted earlier, forging partnerships has become the central theme in the current set of community development initiatives in both Canada and other nations. However, while the concept of a partnership has an inherently favorable connotation, since it implies a sharing of responsibility and benefits, the imprecise nature of community development partnerships leads to difficulties in their development and implementation. These difficulties are compounded by the inherently evolutionary nature of the community development process and the corresponding pressure for a partnership process that is also evolutionary.

The evolution of the Community Futures (CF) program, which is inherently based upon a notion of partnership between the community and EIC, provides clear evidence of the changing nature of community development partnerships. In those communities where the program has been successful the nature of the partnership has evolved over time in response to the changing conditions and opportunities that the community and the committee face. The ability of EIC to accommodate the evolutionary nature of the partnership at the community level is a central feature in the success to date of the CF program. However, as the program becomes larger and a body of managerial experience and protocol is established, there is a danger that the program will lose this adaptive behavior and follow a more structured set of relationships.

Earlier, we drew an analogy between the concept of a partnership in the business world and the notion of a partnership in the work of community development. This approach provides a convenient starting point for thinking about community development partnerships, but it does not fully reflect the complex nature of community development partnership relations. As the community development partnership evolves through time the differences between business and community development partnerships become both more obvious and more important.

In both business and community partnerships a number of elements or features are common (Armstrong, 1992). In general terms, a partnership, whether it be a business relationship or a community development agreement, entails that at least two parties recognize that they have some mutuality of goals that can be best achieved through coordinated systematic action and can form an agreement on how to act to reach those goals. An important aspect of a partnership is the requirement that each party bring some resources to the table. A partnership also requires that there be some measure of performance or accountability for the resources that are used.

**Partnerships and Networks**

This definition of a partnership also is useful in drawing a distinction between partnerships and networks. Networks, like partnerships, involve a degree of mutuality of interests, the exchange of ideas among multiple groups or individuals and some commitment of resources. But networks, unlike partnerships, do not require any commitment, or action, to achieve common goals. This is an important distinction. Networks facilitate the exchange of information and ideas, while partnerships are oriented to achieving common goals.

We see partnerships as the key element in community development, and the logical next step beyond a network. In both business and community development, networks provide an important way to identify potential partners, which makes them the logical precursors to partnerships. For both business and community, participation in a network allows individual entities an opportunity to identify other entities with complementary interests and resources.

Thus, a network can be a useful precursor to a partnership, but participation in a network need not lead to partnerships or advances in development. Becoming part of development networks is a useful and probably vital step for a community because the network can provide information on strategies, sources of assistance and support mechanisms. But, after the acquisition of information through a network, action needs to be taken that makes use of the information if development is to occur. While the formation of networks can facilitate development by improving information flows to a community and providing a forum for identifying
development partners, something more than networking is required. It is this next step, the commitment of resources to achieving specific goals (either by the individual, group or community, or in a partnership) that brings about development.

### Starting Conditions And Initial Agreements

By its nature the Community Futures program operates in communities that are experiencing significant economic dislocation. However, other than the common problem of high unemployment, limited economic activity and relatively small size the nature of these communities is quite diverse. Each community has its own specific set of problems, resources, institutions, and opportunities. Thus, how each community first makes use of the program and how the program evolves will vary from place to place. In terms of developing partnerships this is a crucial point.

The diversity of partnership experiences and challenges in local development can be considered in terms of two distinct dimensions which are linked only partially: 1) the structural diversity of contemporary rural and small town Canada, in terms of social and economic organization; 2) the differing organizational and policy implementation capacity of particular communities. Building and managing local development partnerships is an evolutionary process that is highly conditioned by the particular set of structural conditions and organizational capacity in each community.

The structural diversity of rural and small town Canada can be thought of in three dimensions: 1) the distance of the locality from metropolitan regions, 2) the spatial distribution and density of the population and 3) the type and degree of economic specialization (Ehrensaft and Beeman, 1992). Not surprisingly, the three communities represent differing situations in terms of distance to major metropolitan places, population density and economic function.

**DIGBY**

Digby County is a predominantly rural area and is three hours drive from the nearest metro area, Halifax. The county is composed of two major municipalities, each of which had equivalent size populations of 9,500 in 1986: the largely francophone Acadian municipality of Clare in the eastern half of the county, and the majority anglophone population in the municipality of Digby in the western half. On the coast, and right between the two, is the small market centre for the area, the Town of Digby, with a population of 2,500. One of Nova Scotia's important rural concentrations of Afro-Canadians, is located just north of the Town of Digby, and there is also a small native population.

The decision to define a Community Futures area in terms of the Digby county boundaries presented social and political challenges. As a result, it took several years for the Digby County Community Futures Committee, one of the first to be established in Nova Scotia, to develop and implement a strong action plan. It is impressive that the Digby CFC has been able to overcome this inherently difficult context and become one of Nova Scotia's success stories in partnerships for local development.

In terms of function, Digby has a triple specialization in fishing, forestry and tourism. The resource industry is dominated by a small number of companies and in recent times has experienced major disruption. In addition, the community suffered from eroding infrastructure. Not surprisingly the CFC focused its early activities on bolstering the fishing industry, the primary source of employment. Major projects included construction of a new wharf and the development of a Fisheries Resource Centre that provides training and skill development for the industry. Although the CFC successfully attracted funding from a number of government sources, it was a labor intensive process that entailed working with multiple departments with each having its own administrative procedures and time frames.

In addition, one of the important initiatives taken by the Digby CFC involved mobilizing a community campaign to get the province to build a walkway over a new highway which would have made it impossible for pedestrians from the black part of the community to reach the town of Digby. The most important result of this CFC initiative was not so much the walkway itself, but the fact that the Committee catalyzed a broad range of community leaders to speak out on an issue which involved a minority group.

Nova Scotia is in the midst of debating major reforms in the mandate and structure of local government. It is probable that local government restructuring will respect the present county boundaries and also devolve more power to the county. But this timing factor has heightened tensions among potential local development partners as each party wonders how others are jockeying for new powers in the coming restructuring of local government.
WELLAND

Welland is a medium sized industrial city with a population of 45,000 located on the Niagara peninsula of Ontario. The city has a diverse ethnic base with large French and Italian populations. While manufacturing remains the dominant economic activity in the city, the nature of the manufacturing base is changing. Prior to 1970 Welland relied heavily on a few large employers in the steel, industrial chemicals and textile industries. In addition, a well developed forging and machining industry had developed to serve the major firms. The city was also the county seat for Welland county and had an active array of local government and judicial functions.

In the 1970s and 1980s the economic base of the city changed fundamentally. The large manufacturing plants that dominated employment experienced increasing foreign competition and shut-down or scaled back extensively. Those that remain have substituted capital for labor, but many have closed. Thus, while Welland remains oriented to manufacturing; now it is smaller locally owned enterprises that have experienced the growth in employment. In addition, the formation of a regional system of government in 1974 which replaced the county government led to the loss of many local government functions in Welland. Remaining government functions include: the school board, a land registry office and a provincial court.

Over time the service sector in the community has grown through the expansion of Niagara College, increased data processing and support functions at Canadian Tire Acceptance, and expansion of a medium sized shopping mall. In the process the downtown has experienced a major decline in the number of tenants and employment opportunities in traditional occupations have been reduced.

The extended period of economic decline led to a loss of confidence in the community by residents. Thus, the CFC has focused its efforts on projects that can both build local self-esteem, and provide a strategy for reviving the economic base. Important projects include: the murals, the baseball complex, assistance to Foyer Richelieu and the Mayor’s Task Force. In addition, the CFC is engaged in downtown redevelopment and supports other community groups. The main thrust of the CFC now lies in finding ways to form local partnerships to implement the recommendations of the Mayor’s Task Force.

The second dimension of community diversity relates to organizational and policy intervention capacity, and the particular state of relations between major actors when new development initiatives begin. The three communities are also at different stages in this dimension. These differences reflect the effects of various factors. The first important factor to be considered is differences in the organization and mandates of local governments, which vary widely from province to province. A second factor reflects the size of the community as it affects organizational capacity, since larger communities have an inherently larger set of resources and the potential exists to draw upon a more diverse group of potential partners.

The existing organizational capacity of a community at the time a new program starts conditions the nature and the sequencing of the goals that can be pursued by a local development organization. When the new Community Futures Program was officially announced in 1986, Coaticook was characterized by distant or difficult relations between strong sectoral organizations. By contrast, Welland was characterized by a strong attitude by the community of inevitable economic decline and a set of community organizations which had little tradition of cooperation. In Digby, the combination of relative isolation, a resource based economy dominated by a few large processors and limited internal community institutions and groups, makes the starting strategy different than in the case of Coaticook where there was a more diversified mix of primary and manufacturing industry and more local organizational capacity. Coaticook, however, had historic conflicts among urban and rural sectors. Both these places differ from Welland which had the advantage of a relatively large population in a compact area facing a common set of problems, and had an existing set of community organizations.

From the perspective of forging partnerships, in the case of Digby, and to a lesser extent Coaticook where animosity among existing groups was prevalent, the first task was to develop an infrastructure of community organizations and define common problems. In Welland, the primary task was to find ways to convince existing organizations to cooperate in addressing the common problems facing the community. In all three communities, projects funded under the Community Initiative Option played an important part in the initial strategy of the respective CFCs. The carrot of federal financial support provided the incentive to build organizational capacity.

In each community the CFC recognized the long term importance of developing relations with other community groups that were based upon credibility and trust. In Digby the organizations had to be developed
virtually from a clean slate because of political fragmentation. In Coaticook ways first had to be found to break down existing animosities. In Welland the CFC had to convince other groups that it could play a role in facilitating the coordination of development activity. In the case of Digby, the initial strategy was to use projects as a basis for developing local institutions. Similarly, in Coaticook the initial effort was to use projects to build more broadly based local institutions by drawing rural and urban interests into common activities. In Welland, the initial task was to find a way to motivate existing groups to address the problems of community development by creating a more positive attitude about the community and its opportunities.

THE EVOLUTION OF COMMUNITY FUTURES PARTNERSHIPS

Community Futures partnerships begin with an agreement between the community and EIC, in which both parties negotiate goals, development strategies and contributions of resources. Figure 1 uses graphics to describe how the respective goals of a CFC and EIC might fit together. The subset of goals that both share form the basis of the initial partnership agreement. Central to this contracting process is an understanding by both parties that while they have mutual goals, there is also a set of goals on each side that is not shared by the other party. The partnership negotiation process finds ways to develop the shared goals while allowing each party’s individual goals not to be harmed.

This simple model provides a useful description of the initial stages of the CF program in a number of communities. In its early stages the committee typically has some fairly specific objectives that are oriented around well-defined projects that are generally seen as beneficial to the community. But, beyond support for implementing these projects there is only a limited base of community support for the Committee. Thus, its primary aim at this stage is to develop a relationship with EIC that will provide the resources to begin developing the projects. Success in this project-oriented stage provides a means to building support for the CFC in the community. EIC, in turn, uses the promise of financial assistance to extract a commitment from the committee to develop broader partnerships within the community that work toward meeting the main goals of EIC of improving income and employment levels in the community.

**Figure 1**

*Initial Goal Congruence Between EIC and the Community Futures Committee*
In the early stages while the committee may appear to be representative of the community, by virtue of the composition of its members, it need not really represent the community in the sense of having credibility in the community and a locally acknowledged role in the development process. This reflects the origins of the Committee. Rather than the CFC being in the position of having received delegated authority from the community to bargain with EIC on the community’s behalf, the committee is a creature developed by EIC to provide an entry point for the program in the community. Successful evolution of the program in the community requires that the CFC be able to convert from a primary dependence on EIC to a situation where it is seen as a primarily locally based and locally responsible organization.

In terms of our model the CFC has to evolve from the situation depicted in Figure 1 to the situation depicted in Figure 2. This requires that the CFC expand its networks within the community and begin to develop local partnerships. In Figure 2 there are more groups involved in the process of defining development goals. These include local government, community organizations and business groups. Most importantly the new groups are locally based, have direct stakes in the actions of the CFC, and their support is necessary if the CFC is to move beyond dependence on EIC resources. Local government, community groups and the local business community all have resources that must be committed if development goals are to be achieved. Each of them also has their own set of goals and their own understanding of the community economic development process.

**Figure 2**

**The CFC Faces Incongruent Goals Among its Potential Partners**
For the CFC to be successful in gaining their support it will have to engage in parallel negotiations with each group in the community to develop partnerships that have mutual goals as the centerpiece of the agreement. This process brings out the catalytic function of the CFC. While the CFC has resources to commit to various programs it can only fully leverage these resources by bargaining with different groups so they too will commit their resources. Once the CFC gains credibility in the community as a "broker" that can facilitate development activities, rather than being the primary force that funds and implements development activities, it begins to play the catalytic role the program envisions for the Committee. While the CFC may continue to be engaged in project specific activities, they serve to strengthen its primary focus on building and supporting the development capacity of other organizations.

To do this requires that the CFC defines goals and objectives that are compatible with those of the community. While the CFC should not try to be all things to all members of the community, it has to position itself within the mainstream of the community in terms of goals, programs and projects. In doing this the committee has to find ways to define common ground within the community so that diverse interests can see that they share common goals. A successful committee is one that understands the values of the community and searches for ways to use those common values to draw diverse community groups into a common development agenda.

In a graphic sense, using the concepts introduced in Figure 2, for the CFC to be successful it has to find a way to enlarge the area that comprises the overlap of goals of the groups in the community and position itself to make that area of overlap the core of its own goals. Where the four circles representing other actors have a significant degree of overlap, as in Figure 3, this may not be a difficult task. In this case it should be relatively easy for the CFC to define agreements that address common goals and thereby forge working partnerships.

Figure 3

The CFC Acts as a Catalyst and Bridges the Diverse Goals of the Partners
However, when there is minimal overlap, the task of the CFC becomes more difficult. It can choose to maintain a strong relationship with EIC, but this comes at the expense of building local credibility. As long as EIC is willing to provide financial assistance for projects the CFC will be able to "buy" local support and a role in defining the direction of development, but local support for the CFC is unlikely to develop. In the short term this may appear to be a successful partnership between EIC and the CFC, if the projects supported by EIC funds relieve bottlenecks that have blocked development efforts. However, in the longer term a primary goal of the program of forging strong internal development partnerships is not met. Project based development depends on a continuing inflow of external resources to maintain income and employment. Once the flow of funds ends the committee loses its influence and the level of economic and social activity in the community returns to a lower level.

Conversely, the CFC may choose to view a strong short term relationship with EIC that provides project development funds as a means to build better relations with the community. In this context, as shown in Figure 4, the CFC over time reduces its relationship with EIC and expands its ties to the three local groups. To build its relationships within the community the Committee has to adopt positions that are consistent with the core values of the community. While it may be able to modify community values over time, it cannot expect to change them in the short run on the basis of success in implementing a few projects.

**Figure 4**

*The CFC Moves to Establish Stronger Partnerships with Local Groups, which Reduces its Congruence with EIC*
From a narrow perspective this may be seen by EIC as a failure of the program. What was once a strong partnership with the CFC seems to weaken over time. However, if weaker CFC links to EIC are replaced by stronger links within the community the goal of successfully building local partnerships for development has been achieved. The CFC has successfully used EIC resources to "boot-strap" itself to a position where it has become a credible locally-based organization that is no longer solely dependent on EIC support.

THE MODEL IN PRACTICE

The successful CFCs that we visited are in the process of redefining their role from an external orientation with EIC that was initially developed around projects, to expanding their partnerships within the community. Their initial project based activity allowed them to develop networks within the community, and they are now moving to establish partnerships. While they remain interested in specific projects, they now tend to view their support of projects as a means to cement in place partnerships with other groups. Despite differences in socio-economic structure and organizational capacity the CFCs in the three communities are moving in the same general direction. However, the speed of movement and the degree of complexity in their partnership arrangements differ.

Initially, the three CFCs gained entry to the existing organizational structure of the community, and a place in economic development decisions, through their ability to provide funds. Beyond funds the CFCs also contributed important project management skills that increased their exposure. In all three communities the initial bargain between EIC and the CFC reflected the importance of project-based assistance, but underlying the assistance was a broader objective of facilitating a sustainable development process. Meeting commitments to support major projects provided the Committee with credibility in the community. This stage of the committee's work was carried out largely through the efforts of a small number of people. The projects were clearly defined and the tasks necessary to bring them about were fairly straight-forward. Some examples from the communities illustrate these points.

In Welland, the initial effort of the committee revolved around a number of projects that had been under consideration by various community groups for some time. Support for the baseball diamond, the mural project and the senior citizens home existed before the creation of the CFC. But, the CFC was able to provide critical financial assistance through the community initiative option to bring these projects to completion. The combination of financial support for large community projects and a series of smaller committee based initiatives gave the committee credibility within the community.

Similarly, in Coaticook and Digby, CFC support for major projects provided the committee with an entrance to the community development debate and credibility as a potential partner. In Coaticook efforts to construct the Agricultural Initiatives Centre provided a vehicle for bringing county and city interests together to develop a project that was perceived as important to both groups. In Digby, development of the Fisheries Resource Centre, the new wharf and the pedestrian bridge provided a similar function.

As these tasks were completed the committees moved on to the next stage. In all three communities the ability of the CFC to engage in legitimate "strategic planning" is based upon prior delivery of project assistance. Of equal importance, the individual CFCs now see their role as extending beyond project finance and project management. Initial success in bringing groups together to support projects gave the CFC experience in forging partnerships and the beginning of a role as a development coordinator.

In Coaticook and Welland the CFCs have used this experience to build partnerships with other development organizations. In Coaticook, the CFC worked with the local economic development commission to produce a shared development plan. In Welland this process took place by working through the Mayor's office to develop a strategic vision for the City of Welland. While the CFCs provided the majority
of the resources to support these efforts, credit for the results was widely shared. With these projects the Committee began to move from a direct role to more of a catalytic function.

Broad based acceptance of the plan documents by the broader community further enhanced the credibility of the CFC in Coaticook and Welland. But, it also began to raise concern by individuals, who have their own perspective on the development process, about the legitimacy of the CFC as a lead agent in the community development strategy.

This experience has not yet been repeated in Digby. While the CFC has developed the capacity to be engaged in strategic planning it still has to develop a mechanism that can transfer ownership of the plan to the community itself. In addition the current uncertainty about municipal reform in Nova Scotia reduces the incentives for potential partners to engage in any form of long term planning activity.

Currently, the CFC in Welland is working through the mayor’s office and the city bureaucracy to improve its relationship with these branches of local government. At the same time the Committee is moving forward in its efforts to implement the proposals in the task force report. The strategy being followed by the CFC is to provide support to existing community groups to a point that their efforts become self-sustaining. At that time the CFC withdraws and moves on to facilitate action on another issue. In Coaticook a similar set of discussions are taking place with the CFC and local government agencies.

Digby is further hampered by internal divisions of responsibility. Each of the two major municipalities has its own economic development organization. The achievements of each separate organization are relatively modest and certainly weaker than would have been the case with a coordinated county effort. In Coaticook and Welland, while there are still unresolved questions about the relative role of various development partners there is less direct competition, and the existing structure of local government is seen as being relatively stable.

In all three communities the CFCs have been successful in moving from purely economic development functions to helping to foster a stronger sense of community. In Digby the initiative to provide pedestrian access over a highway provided links to the black community. In Coaticook, rural and urban interests were brought together. In Welland, a relatively modest amount of assistance to the Foyer Richelieu improved CFC relations with the French community. Similarly, the CFCs are increasingly careful to try to ensure diversity in the composition of the committee, so that the CFC is seen as a local institution.

The role of the consultant in each of these communities is particularly important. The consultant is the primary link between EIC and the CFC. Because the parameters of the program are flexible the attitude of the consultant can have a great bearing on the success of the community. If the CFC is to be a catalyst for the community then the consultant almost has to be a catalyst for the CFC. A good consultant encourages the CFC to push further into the community and provides new information that can facilitate the operation of the program in the community as it becomes available.

All three communities are characterized by an economic structure where absentee owners and branch plants play an important role in the local economy. This has the effect of taking important development decisions out of the hands of local people, but it can provide external resources if these investors choose to increase their involvement. Importantly, a high proportion of branch plants tend to reduce the internal leadership capacity in the community, because plant managers often take on this function. When these plants leave the community can face a major shortfall in local leadership. This has clearly been a problem in Welland.

In Coaticook and Welland, the CFCs oriented themselves towards the organizational vacuum existing in a context of strong sectoral organization and weak coordination and partnerships. Development that took place in a sector other than one’s own was typically viewed, at worst, as unrelated rather than competing with
one's own sectoral interests. Digby, by contrast, represents the not atypical community context where development and diversification has the potential to step on the toes of existing local interests. Negotiating bargains with existing interests so that they will buy in to new development activities is a delicate but not impossible task. In this difficult environment, the partnership successes to date of the Digby Community Futures Committee are impressive. If they have not come as far as Welland or Coaticook, it is because they have started from further behind.

LESSONS FROM SUCCESSFUL COMMUNITY DEVELOPMENT PARTNERSHIPS

Evolution of the Community Futures Committees

The skills the CFCs need within their organization have evolved as their strategies have evolved. Initially, they needed a relatively small number of individuals who could make things happen directly. Implementing existing projects required knowledge of where to go in the community to resolve a problem, skills in grantsmanship and the ability to coordinate activities. As the CFCs move to a less direct role that does not emphasize project delivery, but one that is more strategic in nature, the skills needed for success change.

The consequences of this change are a need for a different type of board member and a different type of relationship with EIC and community groups. Skills in developing the ideas and initiatives of others become more important. Coordination skills move from coordinating actions to coordinating concepts or ideas. The CFC has to expand its ties into the larger community and make sure it is linked to all the other "players". While the limited number of "local leaders" makes it relatively easy to ensure that these community links are established, this points to a critical skill for the committee. For local leaders not to be burnt out considerable effort has to be placed in finding ways to attract and develop new leadership capacity. At the same time the CFC has to be careful not to be perceived as parachuting its own people into leadership positions in other organizations.

Additional Characteristics of Successful Partners

The three communities considered clearly indicate that successful community development initiatives can take various paths. A strength of the Community Futures program is that it is designed to provide flexibility in terms of the choice of options and each CFC is encouraged to develop its own approach to development. This reflects the unique circumstances of each community in terms of problems, resources and opportunities. While CFCs and EIC program officers should be encouraged to study the experience of other areas for ideas, there is no reason to believe that templates for development can be created and successfully implemented.

While forging community partnerships is not an explicit goal of the CF program, it is clear that without these partnerships the program has little chance of reaching its goals. Partnerships become the vehicle that allows the various groups within a community participation in the development process. Without the partnerships CF becomes another version of a "top down" program based upon project financing. When funds for new projects dry up the program ceases to have an impact on the community.

It is clear from the interviews that the people involved in the CFC are critical to the success of the program on an on-going basis. Only if the people on the CFC view developing partnerships as a critical function and have, or acquire, the skills to form partnerships will the program become community-based and sustainable. Although the initial stages of the program in a community are often project-focused and dependent upon EIC funding, the full benefit of the program comes only when the CFC can forge links within the community.
Future Problems Within the Partnership Model

While the Community Futures model has been successful in a number of areas where it has been tried and has the potential for success in many other locations, it does face some inherent flaws. These flaws reflect both the fundamental design of the model and general difficulties involved in any group activity. As the program becomes more successful in a community the initial decision by EIC to develop a program that did not necessarily depend on support from provincial and local governments becomes more of an issue.

When the CFC is engaged in project based activity its lack of connection to local government may not be an issue. But as the CFC becomes more involved with broad strategies, it necessarily begins to challenge the powers of local government. Since there is little hope of accomplishing substantive and on-going community development efforts without the direct cooperation of the local and provincial government it is important that CFCs move to build those relationships if they are to proceed beyond the initial stage of project facilitators and managers. In the tangled world of the Canadian federal system of government this almost necessarily means a lessening of the ties to EIC (see Thorburn, 1985, Chapter 4 for a general explanation).

Similarly, the decision to rely on existing LEADs in the communities to initially implement the CF program is now showing signs of causing difficulties. Both Welland and Digby had existing LEAD corporations which helped found the CFCs. By contrast, in Coaticook, the CFC created the BDC. Nominally the Business Development Centre (BDC), which evolved from the LEAD, is subordinate to the CFC. But, it was the LEAD that initially established the CFC and it is the BDC which has the larger budget, and as the capabilities and authority of the CFC expand, growing tensions in the BDC-CFC relationships are developing in a number of communities. For the most part these reflect a desire by the CFC to make more use of the BDC as a direct agent of the CFC’s development strategy, while the BDC seeks to preserve its autonomy and make investment decisions on a case by case basis.

Beyond the problems that stem from the basic design of the program there are classic problems of all volunteer organizations. The first of these is fatigue. Volunteer organizations in small communities face the dilemma of too few volunteers. While a small number of participants has the advantage of facilitating networking, it places too much responsibility on too small a population base. Without a continual influx of new volunteers and a process for training them the CFC and associated volunteer organizations will be unable to sustain their efforts. At the other extreme of the spectrum is the problem of people staying in their task too long. As the nature and work of the CFC changes it needs people willing to either adapt to new roles or move aside for people who will. If the people who initially developed the organization are unwilling to allow this evolution the program is unable to move on to the next step and the development process stops.

Implications for the Community and CFCs

From the three case communities and experience in other CF locations we believe that successful development partnerships entail moving from a development approach that focuses on individual, discrete projects to a more integrated, planned approach that stresses the role of the CFC as catalyst rather than delivery agent. This is not an easy transition. One can expect it to result in clashes within the existing system of "ownership" of the community development process as the CFC begins to be seen as almost a "development coordinator" that in essence asks others to carry out the implementation.

For CFCs to have any credibility in this role they first have to earn their place in the local development process. This goes beyond being a conduit for EIC funds, and involves showing that the CFC can capture a development vision that is consistent with community values, is willing to assist others in working toward both their individual goals and this vision, and can continue to convince EIC that it is addressing their goals. How this is done varies according to the community.
Under Phase 2 of the Community Futures Program, if the strategic plans the CFCs develop and the new organizational structures for implementing them are accepted, there will be considerable pressure on the CFCs to perform an increasingly active catalytic role in the community. To be effective they will need to carefully assess their capabilities and their ability to contribute given the resources at their disposal. In this assessment the CFC may have to reconfigure the board to add members with new skills and modify its relationship with the BDC to ensure that their goals are not in conflict.

From the community perspective it is important that the CFC be seen as an impartial advocate for community improvement. While other groups have their own agenda, they must not expect the CFC to embrace it completely. They too have to recognize that in a partnership one may not get everything that is desired. What is important is that conditions are likely to be better as a result of participating in the partnership. As the CFC moves to more of a catalytic role other groups have the opportunity to increase their profile in the community, because they are the visible agents of change. But, for the partners to reap the benefits of involvement in successful development efforts they must be willing to participate in the process.

The skills needed to facilitate development partnerships are different than those needed to implement projects. CFCs will need to take advantage of training programs that allow them to upgrade their skills in the areas of effective partnership development, group leadership and organizational management. These programs should also be made available within the community to other groups.

Finally, the CFCs will need to consolidate their local partnership arrangements and then expand their contacts to the regional, national and ultimately international level if they are to successfully address problems related to structural adjustment. By design, Community Futures communities suffer from systemic economic problems that go beyond local issues. While local efforts are the necessary starting point, ultimately the community will have to confront and deal with external forces. If a CFC doesn't do this itself, it will have to identify those partners at the local level that can most effectively develop these links.

Implications for Employment and Immigration Canada

Community Futures is a positive effort by EIC to implement a program that is consistent with the basic precepts of the "new" model of economic development that stresses local initiative. After five years there are clear signs that the process is thriving in a number of communities. The basic model of challenging communities to define a future and then providing them with some resources to begin to implement their vision has proven to be sound.

From a program administration perspective the diversity of goals and approaches taken by the various participant communities is unpalatable. However, it is this diversity that has allowed much of the success. Attempts to impose standardization of goals or approaches, while consistent with the accountability interests of EIC (O'Looney, 1992), are likely to obstruct achieving the main goal of local development. In a parallel to the Heisenberg Principle in physics, efforts to monitor and evaluate behavior will ultimately alter behavior. If EIC tries to specify explicit goals and measures, it runs the substantial risk of leading the CFCs to manage their activities to satisfy the measurement criteria, rather than stimulate development.

As the partnership process evolves, and the CFC redirects its focus from the EIC to community groups, and from involvement in relatively easily monitored project-based activities to efforts in building leadership capacity and community consensus, the temptation for EIC to try to regain control will increase. However, the appropriate response for EIC is the opposite. CFCs should be encouraged to build their links to other groups and become weaned from EIC. The pace at which this should occur and the process that should be used will be community specific. This, in turn, will require a great deal of flexibility on the part of EIC.
Nevertheless, EIC must preserve measures of accountability in the program. This can best be accomplished by building the primary goals of EIC into the partnership agreement, but recognizing that these goals are best accomplished by the community involving itself in meeting short term instrumental goals. This may mean attributing increases in income and employment that are only indirectly linked to CFC activities to the program. While instrumental goals, such as capacity building, may not appear in the short run to directly enhance income and employment, in the longer term they are essential prerequisites. Accountability must include both measures of short term performance in reaching instrumental goals and longer term assessments of success in meeting primary goals.

The role of program consultants in this adaptation is particularly important. As the thrust of the CFC changes the consultant has to also shift in function to more of a supporting role. As the CFC builds its links within the community the consultant will play a less direct role in the actions of the committee. Just as the members of the CFCs need to develop new skills to adapt to their catalyst role so too does the consultant. EIC has to be aware of the need for a redefinition of the role of consultants and provide them with the support they need to facilitate the creation of community-based partnerships.

CONCLUSION

Our main concluding observation is that forging community development partnerships is an evolutionary process that unfolds in different communities in unique ways. Because partnerships reflect the conditions in place, the potential opportunities and most importantly the personalities involved in the community, it is impossible to lay out a formula for successful implementation of the Community Futures program. Depending on the particular existing institutional structure, leadership characteristics and relationships among local development groups, the process will unfold at a different pace and in a different way.

However, there are common patterns in the evolution of successful partnerships that we can point to. For example, the strategic plan appears to be a pivotal component in the transition from a partnership model that is closely tied to EIC to one that fosters the expansion and reliance upon locally based partnerships.

The process of developing the strategic plan, particularly if it involves the synthesis of the individual plans of multiple groups in the community, serves to integrate the CFC more fully into the community. In the process the CFC draws away from EIC and towards the community. While virtually all CFCs start from a position that stresses developing specific projects as their main contribution, successful partnerships are able to make a transition from a project focus to a people and organization focus.

In the process of developing locally based partnerships, the CFC and EIC must recognize and adjust to the changes that are required to move primarily from a project type of support in the community to one that involves greater coordination of ideas and different groups. In the process, the CFCs must identify their niche and the type of support they can best provide. For some, this might signify the strengthening of their role as a synthesizer of ideas, a coordinator and a catalyst.

This inevitably entails developing a different type of relationship among EIC, the CFC, local groups and local government. In turn, this is leading to the beginning of a new partnership process between the federal government and local governments with EIC and the CFCs acting as conduit. With this link the packaging of integrated development programs that are oriented to the specific needs of a community become possible.
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NEGOTIATING PARTNERSHIPS FOR COMMUNITY DEVELOPMENT

David Freshwater, University of Kentucky
Lynn Thurston, International Development Research Centre
and Phil Ehrensaft, Universite de Montreal

Introduction

Implicit in the title of this paper is a belief that community development encompasses more than economic development. While economic development is concerned with the process of expanding the wealth of the community, community development is concerned with enhancing the quality of community life. Clearly, wealth is an important element of quality of life, but it is not the only element, and true community development requires that quality of life issues be addressed.

One of the lessons from reviewing past development efforts in Canada and the United States is that successful development policy requires a sense of ownership or commitment from all parties involved (Ehrensaft, Freshwater and Thurston, 1991; Bollman, 1992; Knutson, Fisher and Jones, 1989). This includes senior levels of government, local governments and community groups, and individual businesses and citizens. For ownership to be developed the community and all other actors have to be actively involved in the design and implementation of the development strategy, so all participants feel a sense of commitment to the process. Because the different participants will have diverse goals the development strategy must evolve through negotiation. This element of negotiation is one of the distinguishing features of current economic development policy.

Current approaches to community development that seek to instill this commitment emphasize partnerships1. Thus, a second premise, implicit in the title, is that effective partnerships for community development come about through negotiation. Here we review the various forces that have led to new emphasis on negotiated partnerships for community development; identify the critical steps in negotiating partnerships; discuss the potential for partnerships among different levels of government, and between public and private entities; and end with a discussion of the Community Futures Program as an example of a negotiated partnership.

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1 The growing body of literature on restructuring government to make it more effective is based to a great extent on partnerships (Osborne and Gabler, 1992; Eisinger, 1988).
New Contexts, New Partnerships

By a partnership we mean a combination of the following elements: a mutually defined and agreed upon set of goals, a plan to achieve those goals and a commitment by the partners to supply resources to implement the plan. The actual form of the partnership is defined by the participants on the basis of their needs and resources. Partnerships for community development are evolving between community-based organizations and governments, between disparate kinds of organizations within communities and between clusters of competing communities.

These partnerships are evolving for a number of reasons. Perhaps the most compelling reason relates to the pronounced impacts that world economic restructuring are having on rural and small town Canada. Three out of ten Canadians live in smaller communities outside of urban agglomerations with 50,000 or more residents. Traditional industries, such as agriculture, mining, forestry and manufacturing, are losing domestic and export markets to foreign competitors. Many of these smaller communities must make changes to their economic base, if they plan to adapt and survive in today’s world. Partnerships provide one mechanism for collectively designing new strategies to adapt to changes in international trade and to define new geographical boundaries for competing globally.

Partnerships, particularly between governments and communities, also are evolving in response to a recognition that past development policies have not been entirely successful. These approaches presumed that much of the local development process would proceed as an indirect result, or "economic fallout" from sectoral and regional development strategies. By and large, this has not occurred. Partnerships are viewed by some as a strategy for searching for new development frameworks to revitalize nonmetropolitan communities that provide more balanced access to, and participation in the strategy.

Along with the limitations of past sectoral and regional approaches to local development, is a growing recognition of the flaws within the process of designing and delivering programs aimed at local development. Historically, development efforts have followed either a top-down or bottom-up approach. In the first case, a senior level of government determined a set of policies and programs that it believed would assist the development process and communities were, at best, faced with selecting from the list. In bottom-up approaches, communities were left to define a development approach and seek assistance from whatever sources they could find.

In neither case was there a concerted effort to define a development strategy in a way that involved all the parties whose participation was central to accomplishing the goals at hand. As a result, typically only a narrow range of interests were represented in the development plan. Those who were left out saw no reason to become actively involved in implementing the strategy. With hind-sight it is not surprising that these approaches have had only limited success.

The new partnership arrangements that are evolving recognize that the community is the location where multiple sectoral policies and development strategies are sorted, prioritized and tailored to meet locally defined needs for change. These arrangements also recognize the need to involve multiple parties in the design of development strategies that are oriented to the institutional capacity of specific communities and their ability to innovate and accommodate change.

Another reason for the increased emphasis on partnerships relates to critical mass. New partnership arrangements between communities are viewed as providing an opportunity to leverage financial, organizational and political resources that small communities individually could not bring to bear. The partnership agreement provides a structure allowing pooling of resources in an agreed upon format that allows individual participants to define their expectations and responsibilities.
Partnerships also can speed up the process of innovation by creating a pool of knowledge and by providing a focal point for consolidating information that no community can afford to obtain on its own, but needs in order to survive in a highly competitive and rapidly changing environment. Partnerships can be used to reduce non-material costs that are increasingly important for communities and yet difficult, time consuming and expensive to obtain. Training, research, administration and marketing are examples.

The fiscal predicaments of all levels of contemporary government, and a shift in program delivery strategies also are contributing to the heightened emphasis on creating new partnerships for community development. The drive to lower the costs of delivering programs, combined with efforts to pay more attention to "client" needs, is resulting in a more decentralized style of government program delivery. In general, successful community development is viewed as being less tied to traditional government resources, and more tied to the local innovative abilities in the private sector, local government and community organizations.

Partnerships are a response to complaints about mandated responsibilities placed upon lower levels of government by senior levels. Mandates involve a unilateral imposition of responsibility without a commitment of resources by the higher level of government. Partnerships can be a more effective way of achieving the same goal because they involve the lower level of government in the development of the goals and the design of the program. While the lower level of government still may have to provide the resources, it at least has some capacity to structure the program in a manner that it chooses.

Not all partnerships are viewed as beneficial. The literature cites cases where partnerships can be used to create a barrier to entry (Saxenian, 1991). If a government program, for example, limits partnerships to only those communities meeting specific criteria, such as high levels of unemployment, neighboring communities will be excluded from the benefits that participation in the program brings. Partnerships also can be used to reduce government costs, while creating the illusion of continued support. In this case a partnership is only a disguised mandate.

**Defining Community Development Partnerships**

There is no standard definition of a community development partnership. However, in general terms, a partnership, whether it be a business relationship or a community development agreement, entails that at least two parties recognize that they have some mutuality of goals that can be best achieved through coordinated action and can form an agreement on how to act to reach those goals. An important aspect of a partnership is the requirement that each party bring some resources to the table. Community development programs where the federal government provides all the resources for development projects do not result in partnerships, nor have they proven to be particularly successful. A partnership requires that there be some measure of performance or accountability for the resources that are used.

**Negotiating Effective Partnerships**

If we look at the various components of a partnership, they provide the basis for understanding the negotiations that must take place before an agreement is reached. First, there has to be a recognition that a problem exists and that more than one party needs to be involved in its resolution. Beyond this, there needs to be a shared framework or common understanding of the problem. It is not uncommon for people to have different interpretations of the causes of a problem and, consequently different views about how the problem should be solved. Developing a shared information base and a common view of the problem is a critical component of the negotiation process.
Likewise, in the case of community development if a single group believes that it is their sole responsibility to be in charge of development activities then partnerships are unlikely to be formed. In many small communities in Canada the local Chamber of Commerce has either taken on this responsibility or has been given this responsibility by the local government. In these communities development activities tend not to be well supported, in part because there is little sense of responsibility for the issue and in part because the local group resists involvement by other parties that have a different set of interests.

Similarly, if the federal government determines that a particular set of policies will address the development needs of a region and acts to unilaterally implement them, no partnership is involved. At best communities adjust their strategy to accommodate the federal initiatives. If the federal government is providing money for improving sewage treatment facilities, then the community will make sure its plans reflect the need for a new sewage treatment plant.

Second, the parties must recognize that there is a mutuality of goals. It is not necessary that all goals of the parties be the same, but there must be enough common interest to create an incentive to work together. In addition those goals that are not shared cannot be in violent disagreement. For example, a partnership for economic development between a provincial and local government that is designed to increase employment in the community is unlikely to be successful if the community plans to recruit business from other communities in the province.

Third, the parties must recognize that they can best achieve their objectives by acting together. Until the parties believe that it is in their best interest to agree to act jointly a partnership will not work. For example, small communities face increasing difficulty in providing basic services, such as municipal land fills, because they lack sufficient size to develop efficient units. However, they are still reluctant to form a regional disposal site, despite the clear advantages of doing so.

Fourth, once the parties agree that they should work together they have to develop a strategy for reaching their mutually agreed upon goals. This is the part of the partnership agreement that corresponds to a business plan that specifies what will be done, who will be responsible for doing it and the expected results. This is the most technically demanding part of the negotiation process, but it is not the primary stumbling block. Once the parties have recognized that their interests lie in joint action it is generally possible to define a mutually agreeable plan to accomplish the goals. Perhaps more difficult is the host of issues related to establishing a common framework for addressing the problem and resolving conflicts that arise between the different interest groups that are involved in the partnership.

Finally, a partnership requires that resources be contributed by the various parties. One of the main virtues of a partnership is that all the participants have to contribute to the process. The types of resources and the amount contributed may vary considerably from participant to participant, but requiring a contribution of resources builds the sense of commitment to the partnership and its goals. Resource commitment is the ultimate test of whether a group or individual believes in the goals and strategies set by the partnership.

Levels of Partnership for Community Development

Various forms of partnerships can develop to meet different needs within a community. In a sense it is the ability to develop a broad network of partnerships that characterizes a successful community development effort. Partnerships can form when there are effective communication channels that provide information on the goals and resources of different parties and when there is sufficient trust among groups that they are prepared to risk their resources in a partnership. Conversely, in communities where there is little trust among groups, fragmented leadership and scarce resources, development efforts through partnerships are less likely to succeed.
While partnerships among public and private sectors and between senior and local levels of government are the most visible types of development partnerships, they are less important than partnerships within a community. If community groups cannot find common ground and agree on the future direction for their community, they will be unable to proceed to the step of implementing agreements with outside parties such as senior levels of government, other communities or private business. Thus, the precursor to outside agreements is the development of a strong enough network of internal agreements that the community can establish a consensus position on its goals, strategies and the resources it will commit.

Just as in the business world, development partnerships can exist for different durations and for single or multiple purposes. Clearly, it is easier to enter into a single purpose agreement that exists for a defined period of time. Agreements to finance specific projects would fall into this category. Agreements that are open ended in duration and resource commitment, and broad ranging in structure are more difficult to negotiate and require a greater degree of trust and compatibility among the partners.

However, one consequence of our increasingly complex economic environment is that development strategies have become more complicated in terms of linkages among projects and institutions. Increasingly to make best use of available resources and opportunities single purpose agreements have to be developed within a broader agreement, not as independent events. This has led to the need for more open ended and wide-ranging partnership agreements. While it is relatively easy to enter into an agreement to construct and service an industrial park, it is difficult to design and implement an agreement that covers labor force training programs that are linked to industrial development programs that are in turn linked to enhancing a community’s physical infrastructure. The increased number of participants and higher level of resource requirements creates a need for both more sophisticated agreements, and greater trust.

Community Futures as A Negotiated Partnership

The Community Futures program, which is supported by Employment and Immigration Canada (EIC), provides a good example of the negotiation process inherent in developing a partnership agreement. The stated goals and objectives of the Community Futures Program are:

- to assist communities in effectively organizing their resources to assess local problems and opportunities, to establish realistic objectives, formulate an appropriate plan and to manage the implementation of the plan including support for capacity and institution building; and

- to assist in the implementation of strategies critical to the success of the plan which promise significant labor market impacts through entrepreneurial strategies, through infrastructure development, through access to other EIC programs and services and through supporting local partners to act in a catalytic and coordinating role to mobilize local private and public sector resources and to access other government programming.

These goals and objectives reflect the fact that many smaller communities in Canada have been unable to meet their residents’ aspirations in terms of employment opportunities, level of income and quality of life (Kilgour, 1990; Bollman, 1992). From the perspective of the community, the current problems they are facing include high levels of unemployment and underemployment, inadequate incomes, inadequate social services, insufficient resources to provide an environment that attracts business (including poor physical infrastructure, poor social infrastructure, inadequate leadership and planning capacity, poor access to capital), excessive outmigration that threatens the viability of the community, lack of community cooperation, high levels of crime that can be traced to dissatisfaction and inadequate local control over the development of the community.

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Problems in target communities from the perspective of EIC include high levels of measured unemployment, high levels of underemployment, employment instability, levels of income that fail to provide adequate standards of living, high levels of dependence on income transfers and inadequate labor mobility.

While some problems are the same from the perspective of the community and EIC, it is important to note that the two sets are not identical. Associated with the definition of the problems are a set of objectives. Figure 1 illustrates the relationship between the objectives of the community and EIC.

Objectives that both parties agree upon are termed "common objectives". Those that are of direct interest to only one party are termed "instrumental objectives". A key part of the bargaining between EIC and the Community Futures Committees (CFCs) involves determining the set of objectives to be accomplished, which in turn direct the actions of the CFC. Objectives that are mutually desirable for both parties are unlikely to be controversial. However, those that are of direct interest to only one party or the other may be more difficult to incorporate. Nevertheless, they need to be included.

Instrumental objectives may be at least as important to the party that values them as are the common objectives. In this case, it may be important to incorporate them in order to reach agreement on the common objectives. In addition, although the instrumental objectives may not be of direct value to one party, meeting them may prove helpful in achieving the desired goals. Thus instrumental objectives may be important in two ways. First, they may need to be included as part of the bargaining process. Second, they may provide a means to achieving the ultimate goal.

From the EIC perspective the critical dimension of performance is based upon reducing the problems relevant to the agency. The scope of the problem for EIC is set within the broad mandate of the agency and in particular within the context of the Canadian Jobs Strategy (CJS) since CF is a component of CJS. From an EIC perspective, the desired outcomes are to increase employment, increase employment stability, improve incomes, enhance labor force skills and reduce labor force immobility.

Since the community is the instrument by which EIC attempts to achieve its goals, the problems as defined by the community have a lot to do with the likelihood of EIC meeting its goals. Unlike EIC, which has a relatively well defined mandate and interest, the community has a more diverse set of interests. Although EIC has no direct interest in such things as enhancing local control of the economy, improving local leadership, reducing crime or enhancing the quality of life in the community, these can be seen as instrumental or intermediate objectives from the perspective of EIC.

At a minimum, they may be the price EIC has to pay for the community to work towards the EIC goals. But more appropriately, these community objectives are part of the means by which the income and employment objectives of EIC are to be met. Without a platform for development that includes adequate skills and appropriate social and physical infrastructure, employment goals cannot be reached. Similarly, the community may not wish to encourage programs that increase the potential for outmigration, but if a chronic labor surplus can only be addressed in this manner it may be the best way to improve the condition of the community and may be part of the price the community has to pay for EIC’s participation.

Participant communities must take the first step by applying for Community Futures assistance. This requires the community to recognize it has a major development problem and that the best way to address it entails seeking assistance from a third party. It also requires the community to develop sufficient internal consensus on a certain direction it wishes to explore, at least in terms of developing the application required to access the Community Futures program.
Figure 1

The Relationship Between Goals
Once a community has been accepted, it must conduct a strategic planning exercise to help identify goals, strategies and measures of progress. In principle, this exercise will lead the various interests within a community to a stronger consensus on their objectives and goals. The planning exercise becomes a vehicle for developing activities that will lead to meeting the goals, and identifying resources that will be committed by the various parties. Embedded in the annual review and request for additional funding is an opportunity for EIC to assess the progress the community has made in meeting community and EIC goals.

The Community Futures program has been operating in a significant number of communities for five years. While this is not a particularly long period of time over which to assess the impact of a community development program, it is enough time to identify some broad patterns. Where the program has the most visible success, it appears the community has been able to draw its internal resources together and build local partnerships to address social and economic problems. This can include developing a sense of community pride, building new community infrastructure, or contributing to a new economic sector. Local government in these communities works with the Community Futures Committee and other local organizations.

Conversely, in communities where the program has been less obviously successful there is only limited local cooperation. In these communities the Community Futures Committee operates outside the existing political structure, and spends a disproportionate amount of time trying to build communication among disparate local interest groups. Consequently, in these communities little progress has been made in addressing the goals of increased employment, higher levels of income and a stronger economy. Until the members of the community take the first step of agreeing to work together, it is unlikely that significant progress in meeting economic goals will take place.

**Conclusion**

Negotiating partnerships for community development is very much a political process. While economic considerations are an important part of the agenda, they are only one part. Equally important are the social, cultural and ethnic dimensions that are manifest through interest groups. Bringing these groups to a consensus is unlikely to be accomplished through strictly economic means. Instead it requires that the groups in a community recognize that they have common interests, face common problems and are unlikely to make much progress in addressing them unless they pool their resources.

When this happens, it is possible to negotiate economic issues. Certainly the presence of external funding, such as is available from the Community Futures Program, provides an additional incentive to develop a partnership, but in communities where there is little willingness to cooperate this inducement can be inadequate.

For partnerships to be successful, it is important that realistic goals be established and that clear agreement exists on what each partner is expected to contribute to the task. Just as in business partnerships, community development partnerships that are vague in specifying goals and responsibilities are unlikely to be successful and can halt or even impede the development of the community.

For partnerships to be successful, it is also important to recognize the many processes that come into play in each stage of the partnership, from its establishment to its conclusion. Careful attention must be given to the component parts of the process for the partnership arrangement as a whole to work effectively. Within this context, the time spent reaching a common understanding of the problem, negotiating strategies, implementing agreed upon directions and evaluating them is well invested, if the end result is a more informed community with an enhanced capacity to manage change.
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BUILDING MULTI-COMMUNITY RURAL DEVELOPMENT PARTNERSHIPS

Harold R. Baker, University of Saskatchewan

Introduction

The content of this paper is drawn from a study conducted by the author during 1991-92 on the topic: Restructuring Rural Communities: With Special Emphasis on Multicommmunity Collaboration. The purpose of the study was to review rural community development policies and practices in the United States and selected European countries (Ireland, France, Spain) regarding the concept of multicommmunity collaboration as a rural restructuring strategy.

Objectives of the study included: examining the structure and process of creating, promoting and sustaining multicommmunity collaboration; determining the guiding principles for success at the local level; developing a definition and classification/typology of multicommmunity collaboration; determining the degree to which prolonged collaboration has led to larger municipal or tertiary levels of governments; and investigating the educational needs of leaders and the systems that support multicommmunity collaboration. The objectives relevant to this paper are: to determine the guiding principles for success at the local level, and to develop a definition and classification/typology of multicommmunity collaboration.

During the 1991-92 period some twenty multicommmunity clusters were visited, and eight of them were selected for documentation as cases in the study. The case sites included: Historic Bluff Country, Minnesota; Jasper County Economic Development Corporation, Iowa; Putnam County Foundation, Missouri; Four Corners Heritage Program, Colorado/Arizona/New Mexico/Utah; Dineh Cooperatives, Incorporated, Arizona; Humboldt Bay Alliance for Economic Development, California; The Mancomunidad of the Lower Guadalquivir, Spain; and the Mondragon System of Cooperatives, Basque Country, Spain.

The data were collected through a combination of site visits (observation and interviews), mail questionnaires and secondary resource material analysis (monographs, reports, etc.). After the cases were documented using these information sources, each case study was returned to the appropriate contact persons for review, update to 1993, validation and approval for publication.
Definitions: In Search of Common Terms and Understanding

For this study, multicommunity was defined as two or more (usually from five to fifteen) smaller, rural-oriented communities working together to attain social and/or economic development objectives that no single community would be able to attain on its own.

Collaboration is defined as "work together, especially to produce something." Specifically, collaboration may be defined as "a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible" (Gray, 1987). As used in the study, collaboration was assumed to mean a firm commitment on the matter of reciprocal support between and among stakeholders (municipalities or communities), whether or not there is any binding or legal agreement to do so. It involves a participatory, democratic approach to decision-making and a mutually agreed-upon process to achieve both the formation of a collaborative arrangement and the sharing of information and resources relating to common purposes.

If one reviews a number of definitions, they tend to contain key elements that are important to multicommunity efforts. They include particularly (in random order):

- The people must come, presumably at an early stage, to recognize they have mutual interests, a conceptual framework that includes justice for all, a shared vision of the future, and other vital considerations.
- The people involved include those who are (directly) influenced by the actions others take to solve a selected problem(s). This involves a kind of "town hall meeting" concept of involvement supported by other means of public involvement.
- The people develop commitment to work together over an extended period of time, because it will take time to develop the trust required.
- The people involved must effectively be able to work out their differences. This implies that the interests of each stakeholder must be represented.
- The diversity of the group helps to expand the vision of each stakeholder and provides a broader appreciation of the situation than would be the case if they worked alone (two heads are better than one).
- Something worthwhile will result from their mutual efforts, such as a product or service.
- The potential advantages of continuing to work together are recognized.

In the end, it has to be recognized that in the popular language of the rural community, little differentiation is made among terms such as networking, cooperation, collaboration, and partnerships. They all seem to be defined more or less as "people working together." However, both the literature and the experiences of the communities in this study indicate that the failure to distinguish among these concepts may be a critical flaw in many multi-community efforts.

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2 In another perspective, binding agreements essentially incorporate the idea of "partnership" into the concept of collaboration.
Guiding Principles for Multicommmunity Collaboration

Multicommmunity collaboration normally is undertaken to achieve something no partner community is able to achieve working on its own. Another way of looking at the strategy is that by working together, smaller communities can compete more effectively with jurisdictions around them, such as a large city or another region. The principles outlined below were formulated through consultation with community leaders and community specialists working with multicommmunity clusters in the United States and Europe. Experience of the author with multicommmunity clusters in Canada supports the findings in these other jurisdictions. The application of such principles is important to effective initiatives that foster successful competition. The principles may usefully be applied also to multiorganizational collaboration.

1. **There is a clear and important reason for communities to become partners in collaboration.**

   Interests common to all community partners are identified early. It is known what needs to be done and who should be involved. Normally, information can be used -- statistical data, case experiences, public policies and programs, etc. -- that demonstrate the interdependence of smaller communities. Every community, including those with only minimum conveniences, have reasons for being involved. At the same time, there must be a problem/issue/need/opportunity to be dealt with; do not try to create one.

2. **Benefits from collaboration are identified and appreciated by all community partners.**

   Each community must have a clear understanding of the possible benefits of collaboration and how those benefits will relate to the costs involved. There is a "buy in" from which evolves a sense of "ownership" involving all the community partners. The responsibilities of each community in the operation must be clear. Publicize the fact that multicommmunity efforts are an effective, efficient and acceptable way to maximize the investment of local resources.

3. **There is adequate orientation and time for planning the collaborative arrangement and the related development program.**

   Representatives of partner communities, together with a group of key leaders in the region, understand (at minimum) the basics of multicommmunity efforts and the why, what and how of their involvement. By nature, multicommmunity partnerships move slowly. Moving too quickly may alienate potential or existing partners or may leave false expectations. At the same time, early "mini-successes" are important. Persistence in the development of multicommmunity efforts is essential; do not give up too quickly. There are key matters that make efforts succeed and last. These include knowing resources and how to network throughout the area and developing general knowledge of government and educational support systems. Be open to new ideas and dare to try new ventures.

4. **There are reasonable boundaries relating to the development interests of the area.**

   Leaders and citizens have reasonable access to meetings and area information. Invite all to participate -- civic organizations, commercial interests (utilities, financial institutions, real estate) and volunteer groups (churches, chambers of commerce, youth groups). Work with those who come. Do not allow single interest groups, important as they may be, to discourage the collaborative interests of the majority. They are likely to come along later.
5. **There is a sound funding base.**

Tap local resources first, and external resources as required. Know as far as possible in advance where the funding will come from. Avoid the trap of continuous uncertainty of funds which may cause the collaborative effort to fail. Obtain specialized help and take time to prepare effective feasibility studies, business plans and budgets.

6. **Support from local government officials is established early in the multicomunity collaboration process.**

Although the program involves many more groups and sectors than local government, it is local government that often provides the link to aids such as infrastructure development, tax resources and, often, provincial and federal governments. If there is a risk of government involvement creating political tensions in the partnership, maintain an arms-length relationship. It is important to keep the collaborative process as free from party politics as possible.

7. **There is a concerted effort to share leadership among the community partners.**

Team leadership is important. Develop a procedure so that good leaders will be selected as either representatives or members-at-large. This fosters the broader sense of ownership identified in a previous principle. Identify and recruit interested, committed and capable leaders. At the same time, ensure a small group of key, capable and dedicated leaders who faithfully will champion the collaborative cause. Energy and enthusiasm demonstrated by multicomunity leaders (and external resource persons) contribute to the success of the collaborative effort. Ensure balanced representation from the partner communities and jurisdictions in the multi-community geographic area.

8. **There is an adequate arrangement for staff support.**

Staff support provides stability to volunteer efforts. Depending on the workload, an effective executive director or manager is essential to share the workload with board members and others. Support staff often have expertise, derived from experience and/or education and training, that is essential to the collaborative effort. Such expertise is important during both the "emerging" period, when an extra-ordinary amount of work is required to get the collaborative arrangement underway, and the "formation" period, when specific programs or enterprises are being implemented.

9. **Leadership training is viewed as an essential and ongoing part of the collaborative effort.**

Leaders, potential leaders and staff have ready access to leadership, capacity-building experiences. For example, the MB+I Myers Briggs training works well. Knowledge of local and global influences and resources, of the community development process and of networking, collaborating (visioning and conflict management) and partnering skills are particularly important. Opportunities to visit other multicomunity leaders and programs are useful.

10. **External support systems (governments, educational institutions, consultants, etc.) play an essential but temporary or periodic role.**

Two external roles are essential during the early period of collaboration; facilitator and funder. Know when help is needed and where to get it. A neutral facilitator, who knows the collaborative process well and who can play a third-party role in group processes, is needed during the early stages. Sometimes, such a person may be found locally; more often they will be from outside the area. As regards funding, local financial resources are usually not adequate in the beginning to pay the costs of formation, especially of development studies. At the same time, there is a high risk of failure when
external funding is the main motivator of the collaborative effort -- thus the importance of sharing the risk locally.

11. "Win/win" strategies/results are emphasized in dealing with issues/problems/needs/opportunities.

Programs/projects/enterprises are identified carefully. Especially in the early phases, interests common to all community partners are continuously identified and given priority over interests of only a few communities. Later on, benefits may be rotated among partner communities. Keep emphasizing the point that if one community gains a temporary advantage all communities will benefit. Plan for the future rather than dwelling on present problems. Build for the long-term even though short-term solutions appear easier to accomplish and are more popular.

Sustainability provides integrity to what is done. Do not rush into projects; sow the seeds and then take action after a reasonable waiting period.

12. Following evaluation, successes are celebrated and failures are a source of learning.

Assess each step along the way, and remain flexible to shift directions. Pause after each success long enough to recognize what has been accomplished by working together. Take time to invite people to witness the accomplishments, including the media. Admit the failures that inevitably will be experienced due to inexperience in working together: betrayal/withdrawal by one or more of the community partners; working with relatively high-risk ventures; the impacts of unpredictable external influences; and over-estimation of multicomunity support.

Optional Models of Multi-Community Collaboration

In examining a variety of multicomunity efforts, it soon becomes apparent that there is a wide variety of types. They are not easy to classify. However, there are certain common dimensions and critical features among the cases examined in this study, and, also, interesting and useful variations. A classification or typology of multicomunity clusters might include the following dimensions: origin/initiation, tenure, mandate, geographic area, structure, degree of formality, leadership development, funding, diversity and integration. There are also some identifiable variations in terms of minimal and maximal expectations or attainments for each of the foregoing dimensions.

The matrix below (Table 1) illustrates the variety of conditions one might expect to find. The range of conditions appears to exist in even a small number of cases, such as the eight examined in the study. However, time and space limits the analysis possible in this presentation.

Origin/Initiation

There appear to be three primary factors that promote multicomunity collaboration: public policy/program intervention, meaning intervention from outside; social and economic decline, meaning a threat to community viability and perhaps survival; and local aspirations for comprehensive, sustainable development, meaning "bottom-up," community-based, development. All three of these factors may be at play at the same time, but it is the nature of their interplay that appears to be relevant. Without an invitation to the rural area, intervention by an external agency is very difficult. Yet external (public agency) support is critical in key phases of the collaborative process. External initiative may be necessary, and especially important in 'kick-starting' the process. Communities seem more ready to take collaborative action when economic times are tough, yet the attitudes of their leaders (positive or negative) will determine their sense of vision for a more viable future. The most ideal circumstance appears to be when collaborating is initiated with broad
support from the stakeholder communities while they still have resources with which to work and before an external agent intervenes. Often the initiating group is representative of some existing structure, such as local government or chamber of commerce, but it also may be made up of a small group of interested citizens. One energetic and visionary leader may play a key role.

**Critical Features:** Sense of ownership of, and commitment to, the program by the community; clear understanding of the role of an external support system.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Minimal expectations</th>
<th>Maximal expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Origin</td>
<td>Involuntary formation motivated by: i) public policy or ii) social/economic decline</td>
<td>Voluntary formation; goal of comprehensive, sustainable development</td>
</tr>
<tr>
<td>Tenure</td>
<td>Emerging period (under 2 years)</td>
<td>Mature period (10 or more years)</td>
</tr>
<tr>
<td>Mandate</td>
<td>Community growth (job creation)</td>
<td>Community development (sustainability)</td>
</tr>
<tr>
<td></td>
<td>Microregional growth</td>
<td>Microregional development</td>
</tr>
<tr>
<td></td>
<td>Community survival</td>
<td>Community identity (local specialization)</td>
</tr>
<tr>
<td></td>
<td>Merge of community into microregion</td>
<td>Development of both local community and microregion</td>
</tr>
<tr>
<td></td>
<td>Specific project</td>
<td>Long-term program</td>
</tr>
<tr>
<td>Geography</td>
<td>Boundaries limit opportunities (limited population and resource base)</td>
<td>Boundaries enhance opportunities (&quot;critical mass&quot; of population and resource base)</td>
</tr>
<tr>
<td>Structure</td>
<td>Steering group</td>
<td>Representative board with subsidiary enterprise boards</td>
</tr>
<tr>
<td></td>
<td>No or limited sub-structure</td>
<td>Committees, task forces, advisory group</td>
</tr>
<tr>
<td></td>
<td>No meaningful tie to government</td>
<td>Local government as partner, with private, civic and voluntary partners</td>
</tr>
<tr>
<td></td>
<td>No employed staff</td>
<td>Professional staff</td>
</tr>
<tr>
<td>Degree of Formality</td>
<td>Informal organizational arrangements</td>
<td>Vision/mission statement, objectives, constitution, bylaws</td>
</tr>
<tr>
<td></td>
<td>No documented agreement</td>
<td>Signed legal agreements</td>
</tr>
<tr>
<td>Leadership</td>
<td>No leadership training</td>
<td>Ongoing leadership development</td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding</td>
<td>Provisional</td>
<td>Long-term/permanent</td>
</tr>
<tr>
<td></td>
<td>External funding</td>
<td>Internal funding</td>
</tr>
<tr>
<td>Diversity</td>
<td>Exclusive/limited stakeholders</td>
<td>Inclusive (all stakeholders)</td>
</tr>
<tr>
<td>Integration</td>
<td>Operating autonomously</td>
<td>Networking with related groups (internal and external); establishing partnerships</td>
</tr>
</tbody>
</table>
Tenure

In observing cases of multicommunity collaboration one becomes aware of distinct phases in their development. The exact time period for each phase will vary considerably, but there will be an observable phase. The first couple of years (emerging period) is relatively easy and usually exciting. Volunteer leaders are enthusiastic and fresh and expectations are high. External, start-up money may have been provided or attained. Organization, structure and mandate are being formulated. The second to tenth years (formation period) appear to be the most difficult in terms of creating a viable relationship among stakeholder communities. Volunteer fatigue may set in. Small projects are undertaken, local planning and management expertise are applied to new ventures, and the patience (or impatience) of an expectant community is experienced. Results are continuously compared with expectations and hopes, as well as with the perceived results had conventional approaches been used. This is the phase where new leaders are likely to be needed, new kinds of expertise involving project implementation are required from outside, and failures (both of projects/enterprises and of the over-all, collaborative process) are experienced. The third phase following about the tenth year (mature period), is one in which stability and sustainability are most likely to emerge. Although there is question whether multicommunity affairs can ever be secure, much has been learned about both process and product, and a general sense that working together is a worthwhile strategy has evolved.

Critical Features: Understanding of critical features of each period in the life cycle of multicommunity arrangements; recognition of long term commitment required by the strategy.

Mandate

From the community's perspective there are several minimal expectations. They include survival, creating jobs, support to microregional growth, or undertaking one specific project. Perhaps the lowest expectation would be one of merging into the microregion of neighbouring stakeholder communities. On the other hand, maximal expectations would include a sustainable approach to community development, strong microregional development, maintenance of identity for stakeholder communities through some kind of local specialization, and the development of a long term program. Some analysts might argue that a (intermediate) growth centre is required to anchor the smaller, satellite communities in the cluster. However, my analysis suggests this is an unresolved issue, since growth centres are seen often as the 'villain' in the cluster arrangement.

Critical Features: Reduction of overlap with the functions of conventional organizations; range in the size of community partners.

Geography

This dimension is critical, since it helps determine the mass of the microregion in terms of population, leadership, tax base, natural resources, and so on. Boundaries can limit both social and economic opportunities and they can enhance opportunities. Most frequently, boundary decisions are seriously influenced by conventional local government (municipal) jurisdictions and/or traditional relationships among potential partner communities.

Critical Features: The provision of economy of scale; feasibility for multicommunity liaison, especially costs (time and financial) for travel to carry out essential planning.
Structure

Multicomunity structures range from very informal (primarily networking) to formal (with legal arrangements). Often, unless there is a familiar model to emulate, they start off as a steering group of some type. It is often a voluntary group with no staff support. As the multicomunity arrangement attains maturity, it develops a quite formal, and sometimes complicated, structure. Representative boards, subsidiary enterprise boards, committees, task forces, advisory groups and consultants all are used. Local government usually becomes a partner in the arrangement, though it may be kept at "arms length". Professional staff are brought on board to support the work of volunteers and to take the multicomunity effort to more complicated levels of enterprise development.

Critical Features: Relationship to local government; balance and timing of voluntary/staff input.

Degree of Formality

Formality can range from completely informal arrangements with no documented agreements, to organizations with vision and mission statements, constitution and by-laws, and signed legal agreements which document funding arrangements, the sharing of equipment or revenues, enterprise development, and other matters.

Critical Features: Documentation on matters that may result in disagreement and conflict; arrangements that meet legislative and legal requirements such as in for-profit and not-for-profit corporations and co-operatives.

Leadership Development

This dimension ranges from no leadership training to the provision of early and continuous training opportunities. Most frequently, it is sited as a neglected area until serious problems are experienced, one to several years into the tenure of the multicomunity arrangement.

Critical Features: Recognition that leadership called for in multicomunity efforts is likely to be different, more complicated and more time-consuming than leadership for the development of single community efforts; a well-planned, leader training program, especially involving social processes such as networking, collaboration (visioning and conflict management) and partnering, introduced early in the multicomunity planning process.

Funding

Funding can range from limited external funding, to joint internal/external funding, to long-term, self-funding arrangements. A wide variety of approaches to funding are used. Funds frequently are limited.

Critical Features: Sound funding basis secured early in the arrangements requiring limited time expended on fund-raising; plans for self-sufficiency in a specified intermediate time period; source of emergency funding known in case it is needed.
Diversity

This dimension ranges from the powers and functions of the multicomunity group being limited to selected individuals from each partner community to an inclusive group involving as many individuals, groups and sectors of the community as possible.

Critical Features: Structure and program enriched and diversified by drawing on a wide variety of talents and the initiation of diversified ventures; a broadly based commitment throughout the community, not just, for example, local government or business interests.

Integration

Multicomunity clusters may choose to operate as a separate, autonomous entity or may find integrating links with intermediate or major urban centres nearby, or with other microregions or multicomunity clusters.

Critical Features: Assessment of linkages with external groups as a continuous process; recognition that partnerships with appropriate groups or agencies (public, private or voluntary), may add to opportunities and benefits to the initiating multicomunity cluster.

A decision on the nature (foundation) of each dimension will have to be taken as the emergence of the multicomunity arrangement takes place and matures over several years. In each situation, decisions have to be made about the costs and benefits of limiting the arrangements to the minimal expectations as compared to moving toward the maximal expectations. There also will be an interaction among the dimensions. For example, if the effort initially is designed with the accomplishment of a single project in mind, more formal arrangements such as constitutions and bylaws and other longer term mechanisms may not be necessary. However, it would be expected that after an initial period of years, perhaps up to a decade of work, most multicomunity efforts would become more comprehensive and inclusive in their operations, and would tend to attain maximal expectations in all or most categories.

This classification or typology of multicomunity efforts is suggested as a beginning only. It requires further study and refinement. However, there are several useful purposes for such a typology, including:

1) Helping beginning multicomunity efforts understand better what factors to consider in their organization and development.
2) Creating a vision to guide year-by-year planning.
3) Determining the processes and procedures for more effective operation.
4) Identifying principles of operation.
5) Determining training and research needs.

Those interested in improving the restructuring of rural areas are challenged to develop further our understanding of effective multicomunity collaboration.

Guiding principles and typology(ies) represent only a portion of the features that effect success or failure in multi-community efforts. Other features include how successful multi-community efforts are created, promoted and sustained; how they relate to governments at all levels; and the critical abilities and training needs of the community leaders who will largely determine the degree of effectiveness of such ventures (see Appendix A).
Concluding Statement

I would like to refer again to the idea of partnering, and one of the findings relating to the preparation of leaders for multi-community operations (see Appendix A). That finding is that "there appear to be substantial gaps in much of the education and leadership development training for multicomunity leaders, particularly relating to the social processes involved." There are three social processes of particular importance here: networking, collaborating, and partnering. Networking is the more informal of the processes; partnering the more formal. All of these social processes can be taught and learned. There is a literature and a skill-based curriculum relating to each. Our challenge is to recognize and apply this important fact.

In networking community leaders initiate contact, start to get to know each other, and exchange ideas. But it tends not to be a serious, business-like relationship and no firm commitments are made (Lipnack and Stamps, 1986).

In collaborating community leaders start to trust each other and undertake some activities together, especially activities that have no great risk to their community and which provide obvious mutual benefits. Collaborating calls for an effective combination of visioning (as part of strategic planning) and conflict management (especially negotiation that is based on common needs/interests rather than on position-taking) (Gray, 1989).

Partnering is a more serious relationship, in which the most formal of relationships exist. These relationships will involve investing risk capital and legal agreements, that is, various forms of joint-venturing. Such actions call for a clear vision of why partnerships are created on a multi-community basis (Miller et al., 1992). Partnering converts collaborating into a more serious relationship. It is collaborating to compete. But the partnering itself is the antithesis of the competing spirit built into the life and value system of our communities.

One weakness common to multi-community collaboration of considerable significance is the tendency for community leaders to want to establish partnerships without going through the networking and collaborating phases in the relationship. External development agencies also tend, perhaps unintentionally through the demands of their support systems, to encourage community leaders to move too directly into a partnering arrangement. This tendency affects the time for such features as mutual respect and trust, planning, and long-term funding to become meaningful elements of the development process.

The primary concern in the effective application of these social processes in multi-community collaboration is to help the microregion (multi-community cluster) to compete more effectively with other, usually larger or distant, jurisdictions. If this is kept in mind the multi-community effort is more likely to result in positive rural development.

REFERENCES


Appendix A

Some General Findings From the Study

Some of the more general findings of the larger study on multi-community collaboration include the following:

• The most difficult period in the formation of multicommunity collaboration is the "formation period", especially during the second to fifth year.

• Multicommunity collaboration experience to date appears to have had little influence on local government boundaries.

• Although local government bodies should be considered important to a multicommunity collaboration scheme, it is equally important to involve other civic, private and voluntary groups.

• Leaders of multicommunity efforts should be selected with care, with attention to the scope of their vision and their collaborating skills.

• It is essential that a leadership development program be initiated as an integral and ongoing feature of the multicommunity effort.

• There appear to be substantial gaps in much of the education and leadership development training for multicommunity leaders, particularly relating to the social processes involved.

• Community leaders will need time and patience to convince communities that it is beneficial to work together.

• Multicommunity activity appears to be undertaken in order for smaller communities to survive in difficult times and to enhance development opportunities under these circumstances.

• The success of the microregion that is involved in multi-community collaboration appears quite dependent on the support of the other developmental entities, especially the more central sub-province/state, province/state and national levels.

• Locally-based (bottom-up) development seems generally acceptable to local areas, but not without a reasonable period of adjustment.

• Central resource agencies have important policy, facilitating, resource, and education functions to play in multicommunity collaboration.

• There is a place in the community for both competition and collaboration, if they are kept in appropriate balance.

• The success of many development efforts calls for an appropriate blend of diversification and specialization.

• The conventional sectorial development approach should be balanced appropriately with the territorial development which is fostered by multicommunity collaboration.
ARTICLE 4

Agriculture and Rural Restructuring Group

ENHANCING RESULTS FROM PARTICIPATORY RURAL DEVELOPMENT

L. Peter Apedaile, Department of Rural Economy, University of Alberta

Introduction

In this paper, I examine participatory development from the point of view of complex systems behaviour. Of the three main types of behaviour, competition, predation and cooperation, predation is privileged. Participation in rural development is about the governance of economic predation upon the ecosphere and on human social standards of wellbeing and human rights. The social, economic and ecospheric books of account can be integrated by learning about mutualism through participatory development processes to preclude the concentration of costs in the social and ecospheric accounts while extracting the value added to the economic account.

The criterion for successful participation is enhanced economic profitability. This is not the only criterion, but it protects against the manifest economic nonsense system inherent in other criteria (Stolper, 1966).

The rural participation problem is to find the right balance between top-down and bottom-up development processes. In the framework of complex dynamical human systems, the task is to find and develop the mutualism needed to ensure sustainable predation on rural resources. Participation with integrity is not a philanthropic gesture, nor a gratuitous condescension, but rather the serious business of sharing economic outcomes which position all parties to advance their interests in the long future. The nature of participatory processes is reviewed first in this paper. Then three common achievements are outlined; reconciliation of differences, establishing entitlements and improving government administrative efficiency. The nature of rural economies is explained emphasizing that globalization is eroding their subservience to national economies. The paper continues with a short survey of models and principles of participation and explanations of how participatory processes may be hijacked. The paper ends with some practical considerations and a synthesis.

The Concept of Participation

Participatory rural development has long held the ethical high road in development programs. People and institutions join together to get more out of their community economies. Participation is viewed as an inherent expression of democratic processes at work. Participation is associated with grassroots or bottom-up development in which the lot of traditional prey populations is improved. Participation helps the predator groups see the light of their own best interest in easing back on their predatory practices.
The concept is simple enough. Rural economies are composed of many complex systems. These are constantly reorganizing themselves and their relationships with other economic systems. Participatory rural development is about these self reorganizations. It is about relationships among rural systems. It is about cooperation, competition and predation, the three main types of relational behaviour. And mostly, it is about renegotiating the rules which govern these types of behaviour.

Partnership and peoples’ participation in rural development are just two of the labels for processes of relating one group to another. The groups can be governments, commerce, industrial firms, community institutions or spontaneous coalitions. The relationships are purposeful. The purpose is usually to mediate multiple interests in the self interest of the participants. Participation also may be strategic as to the timing of events and the generation of new and different opportunity costs relative to other actors.

Participation may be institutionalized or transitory. The choice of form is heavily influenced by the heritage and memory of the groups in relationship. Trust and confidence are the major issues in participation in development processes. Successful processes of advancing toward collective self interest are favoured by sound learning and traditions of trust embedded in the memories of the participants.

Participation may take on several forms ranging from informal association through alliances, coalitions, partnerships and constitutional arrangements. The procedural outcomes can range from handshakes to detailed contractual processes.

**Achievements Through Participation**

**Participation Reconciles Differences**

Each system within a rural economy is distinguishable from other parts of the economy. The variety inherent in rural economies is both a strength and an obstacle to development. Participatory development is a process of enhancing the strengths and teasing out the complementarities among the parts of the system. The diversity is the main source of resilience. Diversity is inherited in the form of heritage, rules of behaviour and memory. It is also part of the living dynamism of the self reorganization of the rural economy in the form of vision, purpose, new rules and most important, learning.

Participation in development processes reconciles the differences in this diversity. Participation takes place whether labelled or not, because it is an essential part of the self organization property of rural systems.

Participation, so labelled, is an enhanced and steered version of what happens normally. It is usually instigated by one of the systems involved in development to serve a purpose in the self organization behaviour of the rural economy. Government is often the instigator either in its role as leader, or in response to political pressure to reconcile conflict arising within competitive development processes.

**Participation Establishes Economic Entitlements**

The rural development problem could be stated in terms of the returns on economic entitlements in rural places. These returns are unstable and declining. We have a Ricardian problem in which increasingly marginal natural resources are being brought into production. This marginality is extending to intellectual property arising from selective outmigration, aging and deficient education. The participation problem is with the national and global economies and the returns to rural assets.

The rural economy is traditionally rewarded for productivity. Increasingly, however, rural incomes also flow from the various alliances between rural interests and the State. These include direct subsidies, social safety nets, tax exemptions, business grants, roads, schools, policing, medical care, research, tariff and non
tariff protection, defence and government. Less often acknowledged are the substantial contributions to the private financial bottom line from exemptions from environmental legislation and oversight of pollution, land degradation, deforestation, and fisheries depletion. These costs are passed on to future generations. On the social side, rural firms also may pass on to the State the costs of old age security, deskillling, workers’ compensation, worker training, community decline and depreciation of infrastructure.

Participatory processes for development are about social cost sharing with the State and with the interests of future generations. The processes are about defining the output capacity of the rural economy and determining how this capacity may be enhanced and kept close to full use. Participation is about setting the rules for signalling the use and nature of this production capacity. The rules are about the mix of market and institutional signals and maintaining flexibility of response.

**Administrative efficiency**

Governments seek the participation of community, business and individuals for many reasons. First and foremost, many of the tasks of rural development are unsuited to bureaucracies. These tasks include generating support for an initiative, promoting business, building community institutions, determining the vision held by communities and administering grants. Civil servants come from different systems with different heritage, different memories of what works and what doesn’t, different cultural rules and different ways of learning. This ethnocentricity problem may be minimized by local participation.

Administrative budgets may be extended by off-loading costs onto local volunteers. Consider the list of community organizations potentially available for volunteer participation in one very small village, Edberg, Alberta: Edberg Library Board, Recreation Association, Ladies Home Circle, 4H Light Horse, 4H Beef, 4H Multipurpose, Edberg and District Senior Citizens Society, Edberg and District Historical Society, Agricultural Society, Community Club and church groups. Add a Chamber of Commerce in most cases and there is considerable indigenous knowledge and capacity to extend government services at no cost to taxpayers.

The perverse side of local participation is the selective recruitment of like-minded individuals and organizations to further government interests, including re-election and promotion of an ideology. Thus local participation, unarguably a high-minded approach becomes a thin disguise for pork barrelling and patronage. Democracy is not fulfilled and effective nondiscriminatory participation in rural development opportunities may be thwarted.

**The Nature of Rural Systems**

**National versus Global**

Participation takes place in the context of the multiple relationships of the rural economy to the national economy. Participants in rural development are drawn from all sides in these relationships, jurisdictions and levels of government, firms, social action groups and political parties. The various interests are institutionalized within their own systems operating under their own oikos. Thus they behave according to different heritage, different memories and rules of history, different visions of appropriateness of outcomes, different cultural rules and different ways of learning. Increasingly the partners in rural development are urban.

Rural economies used to exist to serve national economies. Rural economies provided market/private goods and services such as food, raw materials for manufacturing and marketable services. Perhaps the public goods and services produced in rural places have always been even more important. These include food security, territorial occupation and management, scenery, option value, heritage, pollution and waste disposal, dissipation of urban stress and refuge for urban and rural poverty.
Rural economies always serve the larger economy. Globalization has widened the scope for participation in setting agendas, providing greater opportunity for predation by and upon the rural economy. Prairie rural systems are gaining increasing freedom to access capital, labour and intermediate goods markets within North America, lessening their dependence on central Canadian rural and urban economies for sourcing inputs.

Participatory development is no longer an issue confined mainly to governments and local interests. As governments lose their ability to offer financial inducements for compliance in participatory processes, rural interests may pull back and establish new processes leading to direct economic alliances across national borders. Such alliances would extend well beyond traditional natural resource extraction to manufactured goods and to tradeable services, invoking all the side-deal issues currently being discussed by Mexico and the United States.

**Restructuring**

Restructuring of rural, national and the global economies is changing the capacity of the rural economy to source and provide goods and services. The capacity linkages are becoming more and more complex and dynamic. In a sense the commercial and industrial rural economy is becoming more and more like an assembly plant.

Technology change has greatly increased the proportion of industrial goods and services used in producing agricultural, forest, fishing and mineral commodities. Consequently the apparent value added in these resource sectors tends to take place in factories located in other rural and urban places, supplying the industrial inputs. The distribution of value added, and consequently wealth, is determined by terms of trade and relative factor productivities. Participation in rural development is about engaging in alliances among economic equity holders.

The largest rural employer has become the service sector. Though heterogenous as far as industrialization is concerned, service employment tends to be artisan. The outputs are less tradeable than resource based commodities. Consequently, participation in rural development is about building strategic market and government alliances to enhance the tradeable services component and to sharpen its competitive advantage.

**Symmetry of Information**

The essence of participatory development is institutionalizing checks and balances which achieve symmetry of information and consequently economic, social and political power in decision making. The symmetry being sought is across the boundaries of the rural systems and among the equity holders. These equity holders include rural interests. Their participation is mitigated by political representation and governments.

**Development Planning**

Much of the participation in rural development takes place in planning exercises. Determining the existing state of affairs is usually the first step. Outsiders may help articulate the issues, but rural stakeholders hold the knowledge. Articulation may have to begin with animation (Malassis, 1976; Darbellay, 1983). Rural people, especially in marginalized enterprises, occupations and locations often feel powerless and, therefore, resigned to lack of success and influence. Participation by these people cannot begin until they believe that their involvement may make a difference and change the existing state of affairs.
Animation and the recruitment of involvement runs into moral and ethical issues at the earliest stages. Promises of public works, grants or the location of new economic enterprises are obvious and usual enticements to participation. However, commitment to empowerment is often implicit if not explicit in promises of institutional change. Governments are very poor at keeping these kinds of commitments, because they involve power sharing. Power sharing appears to be a matter of strategic importance within government structures and political parties associated with predation behaviour.

Subsequent steps in the rural planning process, including setting objectives, diagnosing the ‘problem’, formulating plans, keeping authorities on board, and negotiating consensus all require their own particular types of participation. Ordinary citizens are required to establish the vision leading to objectives. Real leaders who shape opinion are required to create confidence in the participatory exercises. These leaders are trusted to make the moral and ethical judgements about the intentions of participation. Nominal leaders carry representative authority or mandates, usually within limits, to participate with other jurisdictions in decision making. Civil servants and technical/professional personnel bring skills, information and delegated authority to the planning exercise.

In the ideal situation, rural planning, implementation, monitoring and evaluation proceed continuously with all parties sharing power and information to achieve the vision of the rural public in the context of national norms for achievement. The participatory process does not imply harmony. Nor does harmony auger well for dynamism and flexibility relative to other systems. Nevertheless, participation in this process requires results and satisfaction or the individuals and institutions pull back and decline further involvement.

Much of the source of dissatisfaction seems to originate with the non-rural participants in the process. These participants may not even be known to the members of the advisory councils, project committees and action panels which form the institutional framework for the participation. Nor may these individuals ever set foot in the rural place. These are senior civil servants, senior corporate executives, political representatives, cabinet and caucus members and advisors, and financial officers. These are the authorities which must be kept on board as they exercise their wider and different strategic mandates, even through their interest in rural development is often confined to that of the drawing room interest of the dilettanti (Stiller and Yadav, 1978).

**Principles of Participation**

The principles of practice for participatory rural development have been written about for years (starting in colonial times). The purpose was more effective control of development events by the colonial governments. The practice was continued by the extension services established upon independence and with the aid of foreign technical assistance. As Stolper (1966) notes for the ensuing planning processes, the central task is resource mobilization, especially labour. The idea is to get the process of resource allocation going and keep it going.

Globalization of the economy requires that participation in rural development be focused much more on the links to other economies than on local markets. These links include arrangements for the performance of public services and the production of public goods as well as sourcing inputs and selling outputs. Participation must be oriented to learning and relationship building. The rural economy is no longer there only to serve the larger national economy. The relationships are growing more diverse and less dependent.
Practical Considerations

Players and Consensus

Participation is a strategic component of competitive, predatory or cooperative relationships among systems. Participation involves information and power sharing. The most successful outcomes are associated with improving the mutualism in the relationships among the participants. Greater mutualism tempers the predation inherent in the behaviour of the participants to provide win-win outcomes.

The outcome from participation may be enhanced by changing the personalities of the participants. The larger the institution the more able it is to change its participants. New people reduce mutualism, trust and confidence and enhance the opportunities for predatory gain from the participatory process. Changing the actors provides opportunities for restructuring alliances. There is little that representatives of smaller groups of prey populations can do to overcome this strategy.

Prey groups in a participatory process are particularly vulnerable to rules of consensus. The participatory process of change to the Crow rate structure for prairie grain led by Jean Luc Pepin during the early 80s is an example of the application of strict rules of consensus. These rules imposed by the Prime Minister, who was not directly involved in the process, not only prevented a solution, but were extremely divisive for farm organizations. Diversity of opinion is a feature of the complexity and dynamism of rural systems. To reiterate, the interests are predatory. Mutualism rather than consensus is the basis for extracting success from participatory processes for prey populations.

Hijacking Participation to Enhance Predation

Participation may be hijacked at any time by interests perceiving a strategic opportunity to maintain or enhance asymmetry in information and power. Consider four types of hijacking; 1) unrepresentative participants; 2) conflict of interest; 3) strategic empowerment; and 4) dominance. Hijacking usually takes place at the problem definition stage and during the identification of solutions.

Rural societies have difficulty adhering to democratic principles in the selection of representatives for participatory processes. Annual meetings of organizations are poorly attended. Individuals seeking nomination to formal participatory processes for private reasons usually succeed. Informal leadership is attributed to people on subjective grounds, often based on influence related to traditional roles in the place, or charisma. Volunteer representatives often have personal reasons related to self-esteem or availability of time.

Conflict of interest arises in many ways. The more common source of conflict in rural development is between the interests of business or commerce organizations and the vision of all the interests in the community. Conflict may be minimized by processes which concentrate on learning about mutualism in the relationships among these interests.

The problem of strategic empowerment arises when some equity holders seek to increase the asymmetry of information to maintain or enhance a predatory or prey position among the development relationships. The hijacking occurs through affirmative action, gerrymandering jurisdictional boundaries or nomination procedures to stack committees. The aim is to change the distribution of wealth and economic opportunity in a direction judged appropriate by one or some of the participants.

The clash of non-rural oikos with those of rural systems often results in empowerment hijacking. In general, empowerment of marginalized equity holders is judged to be socially acceptable and even desirable. However, such judgements may not be shared in situations where impoverishment is associated with
outcomes of competition or predation unfettered by mutualism because the social costs of these outcomes have been externalized to taxpayers or future generations.

Dominance is the fourth type of hijacking. It takes place when one of the participants has larger resources or much more information than the other participants. Examples are Alberta Power in relationship to Rural Electrification Cooperative Associations, agencies of Government with tribal councils and rural institutions, and professional consultants relative to citizens. Dominance enables the dominant party to drive the timetable and format for consultation and participatory processes.

Participation with Governments

Dominance is an overriding feature of partnership between rural institutions and government. It is not possible here to treat adequately the Constitutional and judicial origins of the adversarial nature of government and the personal and institutional lives of the citizens. Suffice to note that partnership implies a degree of equality in a participatory arrangement.

This equality is always absent in relations with government because of its regulatory, legislative, budgetary and bureaucratic strength. Government has strong predatory tendencies and the ability to deny much of the mutualism in favour of discretionary charitable transfers to maintain the flow of wealth from the economy. Deficit and debt are logical outcomes to the exercise of dominance.

One of the primary reasons why participation with government is so rarely satisfying for rural participants may be the absence from the process of government personnel retaining the authority to share power. This problem is particularly acute when very junior staff are delegated to the participatory process as rural development workers. They lack experience in the machinery of government and do not have the alliances and influence to keep the authorities on board. These are old lessons addressed in the 60s by the French government with their rural development commissioners. Empowerment of rural development cannot take place without deconcentration of powers.

Senior level interministerial committees and coordinating bodies do not overcome the problem of distance from rural participation processes. Instead, as with the ARDA program in Census Division 14 of Alberta in the 1960s, such bodies become fora for apportioning rural development monies into line departments and strategic maneuvering for departmental influence and personal advancement (Tobias and Apedaile, 1971).

Outcomes unsatisfactory to the dominant parties may be changed by stopping or extending the participation and exhausting the resources of rural institutions and volunteers. Usually, the participatory process is steered around to a negotiation format, in which any of the standard techniques and tactics may be brought to bear upon citizen committees. Participatory handbooks and manuals are often used in the hijacking process.

Synthesis and Lessons

Participatory rural development is shifting from a national to a global focus. In practical terms, this means that rural institutions may be gaining economic power to achieve their vision. They are less tied either to national financial and commercial alliances with governments for sourcing inputs, or to conventional market segmentation fixing market shares. There is less need for participatory processes with government for purposes of intervention in markets. However, government remains an important player in the conversion to mutualistic predatory arrangements from short run Darwinian competition in development processes. Government provides significant collective strength to the generation of competitive advantage in global markets.
Partnership cannot be the basis for participatory rural development. The multiple layers of predatory, competitive and cooperative behaviour are not about equality. Participatory processes within rural economies are about social networking and resisting the competition model for relationships among rural communities each seeking privileged alliances with governments. Partnership is only possible under cooperative behaviour, which may be transitory and sporadic relative to predatory behaviour.

Rural participants in consultative processes eventually tire in the game of chasing opportunistic government handouts or regulatory adjustments which Shortall (1992) has termed the "feeding frenzy". The substance of rural participation is a serious enhancement of the value added in rural places or predatory gain in larger markets. The traditional relationship between rural and national economies in Canada has placed much of rural enterprise, particularly household enterprises in a prey position. The coincident participatory development processes, particularly with government, have focused on charitable transfers to enable the continuation of predatory opportunities. Now the ability of the national economy to continue to subsidize rural economies faces treasury limits and increasing competition from urban interests in charitable transfers.

The lessons from past participatory processes are numerous. The more salient lessons are that the focus has to be on resource mobilization, not just on labour. The second is that outcomes from participatory processes must be respected with prompt action by government even when senior civil servants and political representatives have not been able to be involved. Third, the nature of relational behaviour among systems needs to be understood to avoid false constructs such as partnerships and competition as the basis for empowerment to mobilize and allocate resources. Finally, rural development can no longer proceed by externalizing environmental and social costs from enterprise balance sheets to determine profitability. Globalization means that predation must be based on sustainable mutualism, rather than on charitable ad hoc transfers, patronage and government alliances which permit costs to be postponed or externalized to another jurisdiction. Sustainable mutualism lies essentially with a continuing educated participatory process.

References


The Inuit Experience In Rural Development and Managing Partnerships with Government

Robert Higgins, General Manager, Sinaaq Enterprises Inc.

Introduction

Sinaaq Enterprises Inc. is an Inuit Community Economic Development Organization (CEDO) which operates at the national level. We are affiliated with six regional Inuit CEDOs which provide direct business and community development services to Inuit at the regional and community level.

Sinaaq is not an acronym. In Inuktitut it means the flow edge, or the edge of land fast ice where Inuit go to hunt for food in the winter. This name was considered appropriate because we continue to hunt for ways to build self-sufficient Inuit communities in the contemporary economic environment.

In reviewing the presentations for this meeting, it is clear that there are many similarities between the issues being dealt with by the ARRG, and those being dealt with in aboriginal community economic development. There are also some important differences.

Sinaaq provides services exclusively to Inuit, and I will therefore confine my comments to Inuit economic development. It is important to recognize that the aboriginal community in Canada is far from homogeneous. There is great variation in the circumstances, economic conditions and cultural backgrounds of individual aboriginal communities. Each of these differences has a profound impact on how people approach community development within their individual communities.

To begin I would like to provide you with a brief overview of Inuit society, with particular reference to some of the development and demographic indicators which have been presented in the context of rural and remote non-aboriginal communities. First, there are approximately 35,000 Inuit in Canada. This population is spread out in small communities from the northern Labrador coast in the east to Inuvik in the western Arctic (approximately 1.3 million square miles). A typical Inuit community is a coastal community with a population ranging from 300 to 800 people. The exceptions are the regional administrative centres such as Iqaluit, Kuujjuaq, Rankin Inlet or Inuvik. These communities are larger and have a higher proportion of non-Inuit residents. Iqaluit in the east and Inuvik in the west are the two largest communities in the Inuit homelands with populations of approximately 4000 each.

In the smaller settlements the population is about 95 percent Inuit. The non-Inuit residents are usually the school teachers, nurses, police and government administrators who have been hired from the south. This segment of the northern population tends to be fairly transient. In the larger centres, the Inuit/non-Inuit population tends to be fairly evenly distributed. This reflects the concentration of government services that characterizes the regional centres.
The distribution of population by age is almost the exact opposite of non-aboriginal rural or remote communities. Approximately 78 percent of Inuit in Canada are under 35 years of age. Again, in contrast to southern or remote communities, outward mobility is extremely low. Where outward mobility does occur, it tends to be to regional centres from the smaller settlements rather than to the south. Indeed, one of the largest Inuit communities in the south is Ottawa. Approximately 300 people live in Ottawa. Many of these people work for Inuit organizations and are not permanent residents of the south.

The types of social conditions Canadians generally associate with aboriginal communities are typical in many ways, of Inuit communities. Formal education levels are low, and school drop-out rates are high. In fact, indications are that in some regions the drop-out rate has increased over the last decade. The NWT government estimates that approximately 60 percent of the aboriginal population in the NWT is functionally illiterate in either English or French. There is also a concern that literacy in native languages is dropping, especially among young people. Within Inuit society, the majority of people over the age of about 40 are unilingual Inuktitut speakers. Although Inuktitut is one of the aboriginal languages in Canada that is seen as having a good chance of surviving into the future, there is still a concern that the quality of the language used, particularly among young people is deteriorating.

Housing, although much improved in recent years is still in short supply. Many communities continue to suffer from severe overcrowding, and if it were not for factors such as the environment (the fact that it is -40°C much of the year), and cultural attitudes, it is likely that there would be the equivalent of street people in the north. The lack of housing means that in many cases people, especially young people, move from house to house with no permanent residence.

Unlike aboriginal communities in the south, Inuit communities are structured as municipal public governments. As a result, there is no aboriginal institutional control structure in place at the community level, unlike band councils or tribal councils on reserves. As well, Inuit pay taxes (unlike status Indians) as do their businesses.

It is also important to recognize that the majority of these communities were only established in the early 1960’s. Prior to that the majority of Inuit lived on land, in accordance with Inuit traditional laws, and living from the renewable resources of their homelands.

When the communities were established, it often meant that people were moved to locations distant from their traditional lands and resources. The priority in selecting the location for communities were access to gravel and appropriate sites for airstrips, not access to hunting. As a result, people now often have to travel long distances to access the resources they continue to rely heavily upon.

**Current Political and Economic Development Conditions**

Over the last 20 years Inuit have worked to organise themselves politically. The development of a network of Inuit political organizations initially began because of outside pressures to undertake mega-projects and non-renewable resource based developments within their traditional homelands.

The first Inuit political organizations established included the Northern Quebec Inuit Association in response to the James Bay Hydro-Electric Project. The Committee for Original People’s Entitlement (C.O.P.E.) was established in the Western Arctic in response to oil and gas development in the Beaufort Sea and the proposed Mackenzie Valley Pipeline. This was followed shortly thereafter by the establishment of the national organization, Inuit Tapirisat of Canada in 1973.

Since then Inuit have developed a wide range of political, cultural and communication organizations. Labrador, Nunavik (Northern Quebec), Baffin, Keewatin, Kitikmeot (Central Arctic) and the Inuvialuit
regions each have regional Inuit organizations which are the primary Inuit political bodies at that level. Internationally, Inuit are represented by the Inuit Circumpolar Conference (ICC). The ICC represents Inuit from Canada, Greenland, Alaska, and the former Soviet Union, and has Non-governmental organization status at the United Nations.

This integrated network of organizations represents Inuit at all levels on a wide range of issues from self-government, to wildlife management and environmental protection. The regional development corporations and Community Economic Development organizations are active in economic development issues, and direct business activity. This network of organizations enables Inuit to effectively mount co-ordinated action around particular issues. In this way Inuit have demonstrated a lasting commitment to working in partnership with each other at the regional, national, and international levels.

The economy of the Inuit regions is still to a large degree under-developed. In the majority of communities the unemployment rate approaches 70 percent. Many of the highest paying jobs in the community still are held by non-Inuit, and are directly linked to government services. While the private sector is beginning to grow, this is a slow process in communities so distant from mainstream markets and support services.

As a result, the traditional land-based economy remains a vitally important part of all Inuit communities. The renewable resource-based economy is not only central to the culture, but also a major contributor to the local economies of the north. While "country food" is still in the early stages of commercial development, it is the foundation of the traditional domestic economy. The government of the NWT has estimated that country food has an imputed value of close to $40 million per year. In other words, that is how much cash that would be required to replace the food consumed in the community if it was to be purchased through retail outlets.

Unfortunately, the animal rights groups have had a devastating affect on the Inuit renewable resource economy. The ban imposed on sealskins by the EEC in the early 1980s seriously undermined the economic sector. Prior to this ban, sealskins provided Inuit hunters with their primary source of cash. This cash income in turn allowed them to remain on the land as full-time hunters, providing the community with food and other by-products that were distributed primarily through the cashless domestic economy.

When the market for sealskins was destroyed, hunters were unable to generate the $20,000-30,000 in annual cash income they needed to continue hunting. As a result many were forced onto social assistance. Today it is primarily only those who have a job in the wage economy that can afford to hunt. These changes have had a devastating impact not only on the local economies of Inuit communities, but also on the system of traditional education. There is a concern that young people will not learn the land-based skills necessary to survive in the Arctic environment. These skills and knowledge make up an essential part of Inuit culture.

**Self-Government and Land Claims**

Two other issues which make Inuit community development different from issues relating to non-aboriginal rural and remote communities are self-government and land claims negotiations. These two agenda items are linked to virtually every issue discussed with government, either directly or indirectly.

It is difficult to foresee the final outcome of self-government negotiations with the federal and provincial governments. After more than a decade of negotiations, a series of First Ministers Conferences, and most recently the Charlottetown Accord, there does not seem to be a satisfactory solution in sight. As mentioned at the outset though, the aboriginal community in Canada is far from homogeneous. As a result there is no single answer to what self-government arrangements will look like. It is clear, however, that the desire to
see self-government arrangements entrenched in the Constitution, and implemented at the community level, will continue to be a high priority for all aboriginal peoples in Canada.

The status of land claims negotiations, at least for Inuit, is more encouraging. All Inuit groups have either negotiated, or are negotiating, comprehensive land claims settlements. The Inuit of Nunavik (Northern Quebec) were the first Inuit group to finalize a land claim agreement as part of the Northern Quebec and James Bay Agreement. The Inuvialuit in the Western Arctic also have a final agreement in place for their settlement area. The Nunavut Final Agreement (Baffin, Keewatin and Kitimtit regions) has just been concluded. Through this agreement the Inuit of Nunavut will become the largest private landowners in the world. In Labrador, the land claims process is in its early stages, and has suffered recent setbacks due to disagreements between Labrador and Inuit and the Newfoundland government.

These agreements give the respective beneficiaries outright ownership over certain areas of land, and co-management authorities over wildlife, and additional lands within their region. As well, these agreements involve significant cash settlements in exchange for the portion of the traditional lands given up.

Land claims agreements also establish mechanisms for managing development within settlement areas, and preferential access by beneficiaries to business and employment opportunities which arise as a result of major development initiatives.

The most obvious outcome of land claims settlements for Inuit has been the establishment of large, regionally based Inuit development corporations. This in turn has allowed Inuit to become major players in the development of their regional economy. The corporations created through land claims settlements, such as Makivik Corporation and the Inuvialuit Regional Corporation, are major corporate entities operating a variety of businesses, from airlines and marine transportation operations, to off-shore fisheries and oil and gas operations.

At the same time, however, the nature of land claims agreements makes it difficult for these corporations to provide direct assistance to small scale private business sector in their regions. To achieve these goals Inuit must still look for assistance from other sources. The Canadian Aboriginal Economic Development Strategy is the most recent federal government program which has sought to respond to these needs.

**The Canadian Aboriginal Economic Development Strategy (CAEDS)**

The Canadian Aboriginal Economic Development Strategy or CAEDS was implemented in 1989. It was designed to promote better co-ordination among the federal departments with a role in aboriginal community economic development, as well as to promote co-ordination between the federal, provincial, and territorial governments.

A critical element of the CAEDS philosophy is partnerships. Partnerships between the federal government and aboriginal peoples; partnerships between the different levels of government; and partnerships between government and the private sector.

We are now in the fourth year of a five year federal commitment to CAEDS, and so I will relate some of our experiences in implementing these partnership arrangements.

Three federal departments have a lead role in CAEDS; the Department of Indian Affairs and Northern Development (INAC), Employment and Immigration Canada (EIC), and Industry, Science, Technology Canada (ISTC).
Prior to 1989, each of these departments had a responsibility for aboriginal community economic development, but there was a great deal of overlap in terms and mandates and programming. As well, aboriginal people had very little involvement in program design or delivery prior to CAEDS.

In contrast, the CAED Strategy was preceded by an extensive process of consultation with aboriginal communities to determine what their needs were, and how past programs had failed or succeeded in addressing these needs. Following these consultations, federal programs were re-structured and rationalized and following the endorsement of the federal cabinet the strategy was made public. Approximately $850 million over five years was committed nationally to CAEDS.

Under this strategy INAC was responsible for the establishment of aboriginal Community Economic Development Organizations (CEDOs) that would be responsible for promoting planning, and providing community development services to their community. Sinaaq, for example, is a national Inuit CEDO which works in affiliation with Inuit CEDOs at the regional level. ISTC was made responsible for direct assistance to aboriginal businesses by providing business assistance loans and grants through the Aboriginal Business Development Program and access to debt financing through the establishment of Aboriginal Capital Corporations. Employment and Immigration Canada implemented the Pathways to Success Strategy, which was also negotiated on the basis of a set of partnership principles, and which is responsible for aboriginal employment and training issues.

The objective with both CAEDS and Pathways to Success is to move program delivery and decision making out of the bureaucracies and into aboriginal institutions. This is to be achieved by building aboriginal institutional capacity for program delivery, and the establishment of co-management structures for determining program facilities and funding allocations.

To a large degree these objectives have been achieved. INAC has established advisory boards and has effectively transferred most of their economic development budget to aboriginal control. For example, the allocation of Inuit CEDO funding in the NWT was made by Inuit. Policy issues are discussed by an advisory board consisting of the Sinaaq Board of Directors and an INAC official.

ISTC has established aboriginal management boards consisting of aboriginal business people appointed by the Minister. There are eastern and western regional boards which approve funding on projects up to $250,000. The national board decides on larger projects and establishes policy directions for the program. Pathways has a series of co-management boards which operate at the community, regional and national levels.

Clearly these programs represent a major improvement over the programs which preceded them. However, there are still some serious issues which remain unresolved, in terms of precisely what is meant by partnerships, and how partnerships with government can be managed effectively over time.

It is critical when entering into any new partnership that both sides fully understand the nature of the relationship. This is particularly important when the partnership arrangements result in new ways of doing business. For bureaucrats it means they become advisors and facilitators rather than deliverers of programs. For the aboriginal groups it means having to build a sense of trust when dealing with people who have been dealt with in an adversarial way in the past.

It takes time and resources to work through the process of accepting this new way of doing business. If any of the partners are not prepared to make this commitment in time and resources, the risk of serious misunderstandings in the long term management of the partnership is a real possibility.

Our experience with CAEDS is that some departments made this commitment of time and resources and others did not. Where it occurred, extremely positive working relationships have been forged. Where the commitment was not made, the process has been much slower and the sense of mistrust and suspicion has
persisted. When this occurs the partners find themselves constantly re-visiting first principles, and real progress can be agonizingly slow.

Last year Sinaaq was contracted to evaluate CAEDS implementation in the Northwest Territories. We concluded that the greatest short-coming in implementing the strategy was the lack of progress in getting the federal departments and the various levels of government, to co-ordinate their own activities. Although individual departments may have embraced the partnership principles in their relationships with their clients, there was active resistance to increasing co-ordination between departments.

At the national level, a committee of Assistant Deputy Ministers was put in place to manage this CAEDS co-ordination role. A series of inter-departmental working committees was also envisioned. These inter-departmental co-ordination structures were also to have been put in place in the regions. At the national level, these co-ordination structures either were never implemented, or have operated at a minimal level of activity.

At the regional level the resistance to Inter-departmental co-ordination seems to have been even greater. This has led us to conclude that there are some basic structural barriers to effective co-ordination which these large government bureaucracies have not been able to overcome.

This lack of government co-ordination, however, has direct consequences for the client group. When CAEDS was introduced, Inuit saw it as an opportunity to address community development needs in a comprehensive manner. In the past it was necessary to respond to different departments in different ways according to their program priorities and requirements. This in turn led to fragmented initiatives and the tendency to chase dollars rather than plan projects which responded to needs as they exist. In this sense, CAEDS has failed to date to meet expectations.

The result is that we now have the same people sitting on a number of different co-management structures without formal linkages at the policy or program level. We are confident that this situation can be remedied over time, but it is frustrating to have to make that extra effort when it could have been avoided if the original program principles had been adhered to.

Co-ordination is even more problematic between different levels of government. Once again, in the case of the Northwest Territories, we were dealing with a government that had a very narrow business development, as opposed to community development, program framework. Furthermore, there was open hostility to the concept of aboriginally specific programming. As a result, there was never a "buy-in" to the principles represented by CAEDS, despite the approval of aboriginal groups within the Northwest Territories.

Our experience with CAEDS to date has led us to a couple of conclusions. The first of these is that it is important to recognize the structural limitations inherent in building partnerships, as a client group, with government agencies. Indeed the more successful these partnerships, the more threatening they become to those within government, since successful partnering means sharing power and control. Consequently, the more successful the partnership the greater the risk of resistance from within government.

Secondly, there are fundamental differences in how government, and the clients they serve, view community development needs. The government view is restricted by the mandate of their department or program. The client perspective is broader and more comprehensive in nature. Our conclusion is that to bring about effective co-ordination of government programs and services, it is necessary to build client based institutions that reflect this holistic approach to community development. These institutions then become a focal point for bringing about the co-ordinated use of government programs.

In addition to this we are engaged in a process of Inuit policy development with respect to community economic development. Once this policy framework has been completed we will ask government to respond to our policy positions, rather than us having to respond to their policy initiatives.
In conclusion, I would like to say that our experience entering into partnerships with government for the delivery of community development services has been a vast improvement over previous types of programming. At the same time, however, it is important to recognize that agreement on principles of these partnerships is only the first step. The process of managing these partnerships, particularly in a government/client relationship where the basic power structures are unbalanced, consumes considerable time, resources, and energy. There is also the constant concern that government will fail to "hold the course" until significant and lasting improvements can be achieved. In the end, however, we can only remain hopeful that our commitment to these partnerships will bring about greater community development opportunities for Inuit.
The Co-op System in Canada
Building Partnerships

Allan McIntosh, Co-operatives Secretariat, Government of Canada

The topic for discussion is the co-op sector and development within that group. For those of you who are not fully conversant with the co-operative movement in Canada, it is about equally divided along linguistic lines. However, the sectoral split that you see in other countries between agricultural and consumer and financial concerns does not exist in Canada. It is one of the few countries in the world where all segments of the coop sector come under one umbrella either in the anglophone or francophone communities.

There are approximately 7,000 financial co-operatives in Canada, approximately 40 of which are incorporated federally and the balance provincially. Among the financial co-ops, there are about 3,000 Credit Unions/Caisse Populaires. In total, therefore, there are approximately 10,000 co-operatives in Canada.

Co-ops claim approximately 12 million members, but some duplication undoubtedly exists. Approximately 125,000 employees draw a pay cheque from a co-operative, and 60,000 elected volunteers serve on the boards of directors. Because some of the co-ops have bylaws that require that directors revolve on approximately a six year basis (two three year terms), there probably are another 70,000 to 100,000 people in communities across Canada who have served on boards of directors. This provides valuable experience in working as a team and understanding the processes of working on boards of directors, analyzing statements and supervising management. That is a resource that we often do not think about, but is very useful when we are talking about community development.

Co-operatives in Canada provide services from the cradle to the grave (day care to burial co-operatives). They are involved in agricultural supply and marketing, consumer and services co-operatives. Areas that you might not think of as having co-operatives include grazing, farm machinery, clothing, forestry, reforestation, forest management, health services, transportation, funeral services and recreation.

Approximately 500 to 700 co-operatives exist as recreational community centres and curling rinks, particularly in Western Canada. Some of the most familiar agricultural co-ops are the wheat pools in Western Canada and the Co-operative Federee du Quebec. Federated Co-operatives in Western Canada, with member organizations from Thunder Bay to Campbell River, B.C., have approximately 375 member co-ops. In the Atlantic region, about 175 local co-operatives make up the membership of Co-op Atlantic. About 70 percent of all grain that is produced in Canada is marketed through co-operatives, and about 58 percent of all milk production is processed through co-operative facilities. There are approximately 80 aboriginal co-operatives, 50 of which are located in either the North West Territories or Northern Quebec. This number is not growing rapidly.
The Co-op Secretariat is a group that I gather few of you have heard of. Its role is to inform government and the public about the co-op sector, to resolve problems that the co-operative sector encounters with the federal government and to promote research in areas that are of interest to the co-operative sector. The Co-op Secretariat was created by a Cabinet order in 1987. There are ten employees in the group and two of those are involved in compiling statistics. The co-op statistics have been compiled since the early 1930s. We are moving towards computerized analysis of the statistics.

One of the two bodies that are most closely associated with the Secretariat is the Interdepartmental Committee made up of representatives from 10 federal departments or agencies. It meets to compare notes and generate awareness of the co-operative movement through the various departments that impact on the system within the federal government. The second important group is known as the Ministerial Advisory Committee on Co-operatives and is comprised of 16 senior co-operative officials from all provinces and a wide variety of co-ops.

This seminar concerns partnerships. One of the important aspects of the Secretariat's mandate is the association that we have with provincial governments and the co-op movement. The bureaucrats that are charged with incorporating and regulating co-operatives meet as a group known as the National Association of Administrators of Co-operative Legislation (NAACL). This group compares legislation, trends, and challenges that they see facing the co-op system, and try to provide a uniform approach throughout Canada. The Secretariat acts as the secretariat for this group. Each year there is a federal-provincial-territorial conference of Ministers responsible for co-operatives, which is hosted by provincial governments on a rotational basis. The unusual aspect of this federal-provincial conference is the fact that the co-op movement helps to draft the agenda for the conference and attends most of the sessions as a participant with the Ministers and their staffs. This is an example of the partnership that exists between federal and provincial governments and the co-op movement itself.

A number of studies have been commissioned by the federal/provincial Ministers. The first one developed a strategy for worker co-operatives which has led to the formation of a National Worker Co-op Federation. There also is an analysis of co-operative child care in Canada, which was followed by a study on co-op/consumer sponsored health care. Most recently, an analysis on the role co-operatives and government should play in community development was completed.

All of these studies were commissioned by the federal and provincial Ministers and the co-op sector. They were financed by all three groups and managed by a steering committee chosen with representatives from each of the three groups. In total, therefore, a true partnership exists, and financing is provided by all three groups (particularly in the community development study). Employment and Immigration Canada made a significant contribution as did the Co-op Secretariat, the provincial governments and the co-op sector.
New Roles for Co-operatives in Rural Development

Robert Allan, Initiatives for Renewal Co-ordinator, Co-op Atlantic

The story of Co-op Atlantic is a rural success story and a story of change. Despite the recession and rural restructuring, it is the story of a rural based business with growing sales, profits, membership and employment. It is also the story of a business that has recognized the need for major changes and innovation.

We are rural. There is no member store in the Halifax-Dartmouth area. Our newest store is on Fogo Island, Newfoundland, a rural fishing community that is very much affected by the cod moratorium. In spite of regional economic hardships, we have successfully established a new co-op retail store there. Other expansions include places like Cheticamp, another fishing community that has been having some difficulty.

The Initiatives for Renewal, which I coordinate, is about change and innovation. It is an effort to play a pro-active role in the restructuring now taking place in Atlantic Canada. The strategies, which we are developing, involve new partnerships within the co-op movement. Today I will outline four of these strategies and our progress to date.

Let me begin with an overview of our existing operations. Co-op Atlantic is a widely-diversified regional co-operative wholesaler. It provides a variety of business services to some 161 member-owned co-operatives in the Atlantic Region and the Magdalen Islands. Co-op Atlantic is a ‘partnership’. We are a ‘joint venture’ owned by 161 community businesses.

Co-op Atlantic has wholesale sales of more than $418 million, while its member co-ops have sales totalling more than $975 million. Combined, they create more than 5,000 jobs. Perhaps the most important fact is that more than 650,000 Atlantic Canadians are members of co-ops and credit unions.

Co-op Atlantic is unique among co-operatives in the extent to which it has successfully served the needs of both producers and consumers through a single organization. Today, Co-op Atlantic’s agricultural division includes four feed mills, and a farm supply operation and has annual sales of $50 million. The major producer co-ops in Atlantic Canada are members of Co-op Atlantic.

Co-op Atlantic also provides services to 104 consumer co-ops, who retail groceries, family fashions and hardware. In addition, Co-op Atlantic has a petroleum operation and a housing co-op development subsidiary.
The impact of co-ops goes well beyond being suppliers of goods and services. To understand how co-ops affect rural areas, one has only to compare us with the private sector. I noticed, in the proceedings of your 1992 conference, the following analysis of Walmart.  

"Walmart recently became the largest retailer in the U.S. by building stores in small communities." The competitive and predator strategies of Walmart, based on Walmart’s extensive economies of size, led to the collapse of local businesses.

"As the local retail sector withers, there is a parallel reduction in the business skills of the community. As a result, despite the short-term benefits of lower Walmart prices for consumer goods, long-term business initiatives in rural places may fall further behind that of their urban counterparts".

After a few years "Reduced competition in the rural place allows them to price 'what the traffic will bear'. The profit generated by these established Walmart stores is then exported to develop new stores in other areas. (Walmart is now in some suburban markets and moving into New England). Thus, the argument goes, prices stay low for only a short period and the community losses business skills and capital.

In contrast co-ops, as community businesses, develop both local business skills and keep capital in the community. A local board of directors oversees each co-op. More than 1,500 individuals sit on the boards of local co-ops in Atlantic Canada. Each co-op decides yearly how to use its surplus. It may choose either to retain it to invest in expanding the co-op or to make payments to its members. In each case the funds are not exported.

With our major competitors, Irving and Sobeys, it appears their current corporate strategy is to export profits to finance developments in New England. This is something that will not happen with co-ops because of the way we are structured. If border states offer us tax incentives or cheap loans, we would not even debate moving.

It is this perspective which underlies Co-op Atlantic’s renewal program. The co-op movement has business skills. It has more than $2.5 billion in assets, and it is controlled by the local community. Potentially the co-op movement can play a major role not only in developing, but also in implementing a community development strategy.

In the late 1980’s, two elements came together within Co-op Atlantic to start a renewal process. First, the 1980’s saw a rapid growth of what is called the ‘emerging co-ops’.

The housing co-ops, which started rapid growth in the mid-1970’s, were only ’accepted’ by established co-ops in the 1980’s. Co-op Atlantic was an earlier adapter.

Interest in worker co-ops began in the early 1980’s. A worker co-op’s goal is to provide employment for its members. Throughout the decade, the worker co-op idea had a high profile in discussions of the co-op movement’s future.

The end of the decade saw the development of Funeral Co-ops in Atlantic Canada. As independent funeral homes are being bought out by multinationals, new funeral co-ops are providing for local ownership and significant cost savings, often over 25 percent.

Child care co-ops also began creating a profile in the late 1980's with a national federation being founded last year. In 1991, health care co-ops were the subject of a major study, which is creating much interest.

These emerging co-ops are being lead by the next generation of co-op leaders, and the average age is perhaps 35 years versus 55 years for established co-ops. In emerging co-ops, more of the leaders are women.

Thus, the first element that initiated the renewal process, was the many new forms of co-ops being developed. There was also a renewed recognition of the wide range of needs that co-ops can address. The question was, what is the relationship of these ‘emerging co-ops’ to the ‘established co-ops’, like Co-op Atlantic with its sixty-five-year history?

Second, leaders within the co-op movement began asking how the co-op movement should respond to rural restructuring. Co-op Atlantic took a stand against the Free Trade Agreement, NAFTA and GST, and asked the question what do we propose as an alternative?

After debate throughout the co-op network, the 1991 annual general meeting unanimously passed resolution 11. The resolution included a new mission statement and action plan for innovation. This action plan is called the Initiatives for Renewal. The plan includes four items, which I will address today:

1. Local Co-operative Development Council
2. Integrated Co-op Development
3. Capital Formation
4. The Stakeholder Co-op

Local Co-operative Development Councils

In Atlantic Canada, 16 local co-op development councils are in various stages of formation. These councils group the existing Co-ops and Credit Unions in a given region. They are the co-op equivalent of a Community Business Development Corporation. Their aim is to provide support for the development of new co-ops. This becomes a mechanism to identify opportunities for new co-op development, to do the promotional work, and to provide some support.

We see as very important that the local communities take the initiative, rather than establish a top-down development process from Moncton. Development needs to be in keeping with the co-op principles, which is bottom-up.

Abraham Maslow is a major name in modern psychology. When he began his work, he found that psychologists spend all their time studying the sick. He decided to break away and study the healthy. Our approach to community economic development is similar. We begin with the healthy co-ops.

Thus, with the councils, we are seeking to build on our successes. We recognize that within each region there exists co-ops with expertise in creating and operating community businesses. Our hope is to tap this experience and community support to help new co-ops.

In the Acadian Peninsula there are 29 co-ops and credit unions. They now have formed a council and are looking at opportunities to develop new co-ops, and how to mobilize the resources to finance new co-ops. That council has recommended that 5 percent of the surplus of every co-op and credit union in their area be put into an investment fund. The Southeast New Brunswick Council has assisted a new senior citizens housing project and child care co-op.
Last year, a national task force reviewed the role of co-ops in community development. Their report, the "Climate for Co-operative Community Development" is positive about the role of co-ops in community development.

The study concluded that it is "critical that people within the community supply the initiative .... without development of the community, development in the community either cannot proceed or is liable to be ineffective". The report recommends, as a priority, the "strengthening of community infrastructure". That is, developing skills, building confidence and creating support structures at the local level. The strengthening of the local co-op community is our principal aim in working with the councils. We provide training in community economic development.

Regional support mechanisms can play a key role in helping local councils to develop their own skills and in providing councils with technical assistance on projects. As local co-operative development councils and other groups explore new ideas for co-ops, they will require help with feasibility studies, business plans, financing applications, and organizational development.

Good support structures exist for retail co-ops, housing co-ops, and credit unions. The development support for other co-ops is uneven, and we are working to develop new technical support structures.

**Integrated Co-operative Development**

This involves using the business links between co-ops to strengthen existing and new co-ops. The object is to create a growing network of trade among co-ops through structured links and strategic alliances. Co-op Atlantic has $418 million dollars in purchasing power. The basic question is, can we spend a greater portion on locally processed products? Can we use these purchases to provide the foundation for developing new co-ops?

Resolution 11 (AGM 1991) assumes that Co-op Atlantic will use a pro-active development approach, including efforts to "identify new opportunities," the "systematic uses of purchasing power", and the development of "interdependent co-operative structures." How best to implement this pro-active approach remains to be decided.

Integrated co-op development may be the most important strategic statement in Resolution 11 (AGM 1991). However, it is the idea which is the most difficult to implement, and requires the most care.

Co-op Atlantic has always played this role. The success of the retail sector is, in part, due to the local co-ops use of Co-op Atlantic for joint purchasing and other services. Co-op Atlantic and its members have been, and remain, a major purchaser of products from producer co-ops.

The Initiative for Renewal suggests new types of business links. It also sees new links to emerging co-ops such as the worker co-ops. These opportunities exist at both the local and regional level.

In Saint John, the co-ops are conducting a feasibility study on joint purchasing. They are examining potential benefits to local co-ops from joint purchasing of local services, and are exploring such services as

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maintenance. The council is taking it a step further and asking whether it is possible to set up a new worker co-op to provide these services.

Bell Island, Newfoundland, is a high unemployment area. A community development co-op was established to create jobs. Its first project was a bakery. However, the local market could not sustain the bakery. The co-op became successful by selling products to City Consumers Co-op in St. John’s.

On the regional level, Co-op Atlantic’s private label program creates many opportunities for new value-added food processing co-ops. For example, can jobs in some fishing communities be saved, by increasing the value-added processing and selling these products under our private label throughout Canada?

Co-op Atlantic sees the potential to increasingly develop co-ops as "Network Organization". "The best organizing approach is to do something extremely well and build relationships with others (other co-ops) to do other parts of the business process."

In the co-op forums where innovation is discussed, interest has been shown in flexible manufacturing networks, particularly the worker co-ops in Italy and some projects in the USA. Strategic Alliance also will be the theme of the Canadian Co-operative Association’s 1994 congress.

**Capital formation**

The initiative on capital formation aims to accumulate investment capital for new co-ops and the growth of existing co-ops. The goal is to increase the co-op movement’s ability to finance itself, through its own institutions.

Two factors continue to make capital formation an important issue. First, the increasing number of new co-ops and co-op expansions is creating a growing demand for funds. This growth in demand is likely to continue. Second, major changes are taking place within the financial services sector. The 1990’s will produce a very different finance industry.

The success of co-ops is, in part, due to the co-op model’s ability to raise equity in the local community. In a business world that is becoming more capital intensive, it is essential to increase the local community’s ability to raise capital.

If we are going to get into a new wave of co-op development it takes money. We already control $2.5 billion worth of assets. The question is, can we focus those funds more on new co-op development? Due to their nature much of these funds, such as RRSP deposits at Credit Unions, must stay in low risk investments. But we are examining new ways of raising and investing funds. A resolution at this year’s annual general meeting suggested establishing a co-op bank. That is probably several years off, and smaller scale efforts will be done initially.

The Initiatives for Renewal staff are actively working with the credit union centrals on development issues. Our government relations efforts include work on taxation and security regulations. Our lobbying on the Nova Scotia tax credit for co-op investments is one example.

One of the most exciting projects is the New Brunswick Community Bonds for Co-operatives program. This program is based on the Saskatchewan initiative that provides loan guarantees to individuals who buy bonds to invest in new businesses. A problem in Saskatchewan has been the lack of local structures to evaluate business proposals. Thus, in reality most community bond projects are negotiated by civil servants in the capital.
In New Brunswick, we are suggesting that the local co-operative development councils be the bond agencies. Thus co-op bond agencies will tap local successful community business expertise and make the bond program truly a community program. If we have 29 successful co-op businesses in an area, why not use their expertise to manage the bond program? Why not use the existing co-op members as the target market for bond sales? We have had positive response from the New Brunswick government and are negotiating the fine print. By the end of the year this program should be in place.

**Stakeholder Concept**

The stakeholder concept recognizes that there are stakeholders in co-ops other than the traditional members. In a co-op, the members are the users of its services. The 'customer' is the member of a consumer co-op. The 'tenant' is the member of a housing co-op. The 'farmer' is the member of a producer co-op. However, there are other stakeholders, the major one being the employees. In the fishing and producer co-ops currently undergoing restructuring, the workers have as much at stake, if not more, than the current members.

In stakeholder plans, co-ops have one class of member for each type of stakeholder. The different classes may include two or more of the consumers, producers, suppliers or workers. Each class of member has voting rights and rights to patronage dividends.

The Co-operators Data Services Limited is the major Canadian stakeholder example. It has three classes of members that include users such as Credit Union Centrals, the employees, and The Co-operators itself.

The Fogo Fishing Co-op is the largest Atlantic Canada example. Fogo has two types of members. The producers who catch the fish are members as in traditional co-ops. However, the workers who run the processing plants also are members. It is an interesting social experiment as well. Traditionally, the men operate the boats and thus are the co-op members. Their wives work in the processing plant and are employees and not members. The Fogo co-op breaks this tradition, by making both 'fishermen' and plant workers members.

We expect to see a growing number of stakeholder co-ops. In Nova Scotia, the new Employee Ownership Plan provides tax credits for workers who invest in their co-ops. It is expected to generate test cases for the stakeholder concept. In addition, surveys of the younger generation show a strong interest in worker ownership, while management studies show real productivity gains from worker ownership plans.

The International Co-operative Association's report 'Co-operative Values in a Changing World' addressed the stakeholder issue. The 1992 report reviewed the six co-op principles. It recommends the democracy principle include "a statement about the participation of employees in the democratic management of co-operatives".

**Conclusion**

This returns us to the issues raised by the Walmart example. How important is local participation in economic development? Edward Lawler has been recognized as a leading thinker on organizational development. Lawler develops "High Performance Organizations" based on employee participation models.

His analysis provides some real challenges to rural communities. While recognizing that "A high-quality work force, available capital, and access to markets and technology still are likely to be significant sources of competitive advantage, even in a global economy"; Lawler asks the question, "How sustainable are these sources going to be in the future?"

"It leads to the important conclusion that the management style and the approach to organizing that an organization uses may be the ultimate competitive advantage in the future. It is a competitive advantage that is capable of providing significant gains and one that can provide early adopters with a sustainable advantage".

The question Lawler asks for regional development is "Whether the population contains enough people with the right kind of skills for the [high performance] approach to work." Here Lawler brings a new level of honesty to the debate on worker participation. It will apply to modern high-tech firms but the repetitive low skill, low wage jobs are not suited to participatory management. The best employment will go to areas which due to the changing culture and levels of education, are most suited to the participatory style of management. Regions where the skills related to participatory styles are low will be the sites of low wage, unskilled, repetitive work, managed with traditional management systems.

The common road block to adopting participatory systems is an unwillingness to give up "substantial influence". Evidence shows that "participation is more likely to produce a significant, long-lasting increase in productivity when it involves decision-making processes of substantial influence rather than consultative arrangements".

Successful co-op development requires and teaches participation. Our new approaches, such as local co-operative development councils and the stakeholder concept, will increase the levels of participation. Co-ops while not always practising participatory styles, are designed to operate as community organizations and are rooted in democratic principles. Rural communities with successful co-ops are more likely to have the participatory skills necessary to create both the organizations of the future and an economic competitive advantage.
New Partnerships For Fishermen's Cooperatives In New Brunswick

Omer Chouinard, Department of Fisheries and Aquaculture, Province of New Brunswick

Introduction

Co-operatives have played a key role in maintaining and developing New Brunswick's rural Acadian communities since the 1930s. Fishermen's co-operatives have a long history in the province, and they are part of a very extensive community network based on mutual aid and solidarity.

The population of New Brunswick is about 700,000. There are 248 co-operatives in the province, 148 of which are Acadian. In other words, the Acadians, who make up less than one-third of the province's population, have founded around 60 percent of its co-operatives. New Brunswick has 86 Acadian caisses populaires (credit unions) with 173,000 members and assets worth $1 billion. In 1990-1991, $95 million was reinvested in the province by 119 co-operative associations. This shows how important the Acadian national identity is as a factor in the establishment and maintenance of co-operative activities in New Brunswick.

Today's presentation includes extracts from monographs about the four Acadian fishermen's co-operatives in New Brunswick. The Lameque co-operative, which consists of inshore fishermen (vessels less than 45 feet long), midshore fishermen (vessels 45 to 100 feet long), and fish plant workers, is found on the Acadian peninsula. The other three co-operatives consist of inshore fishermen and are located in southeastern New Brunswick, at Baie Sainte-Anne, Pointe-Sapin, and Richibucto Village.

After giving a brief description of the four fishermen's co-operatives, I will examine the new partnership projects they are in the process of developing with private companies. The objective of these alliances is to enable the co-operatives to find the financial and technological resources they need in order to grow and adapt to an extremely competitive environment. Lastly, we will present a few conclusions about the co-operatives' current situation and their plans for the future.

The Acadian fishermen's co-operatives in New Brunswick were founded in the late 1930s or early 1940s as a means of marketing fish from these relatively isolated communities. Today, they process around 12 percent of the province's total fish and crustacean landings. In the past, these co-operatives were linked together by the United Maritime Fishermen (UMF), a federation of co-operatives that specialized in marketing. Ever since the UMF went bankrupt in 1988, each of the four Acadian co-operatives has operated independently, and they have nothing in common except their co-operative operating rules. They market their products through a private broker in Montreal. However, the two largest co-operatives, the ones in Lameque and Richibucto village, have already laid the foundations for new partnerships with private companies, although this did not take place without some resistance from their memberships.
The Fishermen’s Co-operatives and Their Memberships

The four Acadian fishermen’s co-operatives are members of the Acadian co-operative movement and pay annual dues in return for the services of the Conseil Acadien de la Coopération (Acadian co-operation council). These services include financial auditing, education and training, and representations to the federal and provincial governments. Also, part of the dues is used to pay the Conseil’s administrative and operating costs. All the members of the three southeastern New Brunswick co-operatives are inshore fishermen, while the membership of the Acadian Peninsula co-operative includes inshore and midshore fishermen, as well as fish plant workers. All four co-operatives are made up almost entirely of fishermen from the Acadian minority. Let’s take a closer look at the four Acadian fishermen’s co-operatives on New Brunswick’s east coast.

The Pointe-Sapin co-operative has about 20 members, all self-employed inshore fishermen. Its sales figure is less than $1 million. It is the only multipurpose fishermen’s co-operative; in other words, it is still affiliated with the consumer co-operative, which has 350 members and a sales figure of $1.5 million. Also, it is the only co-operative that provides just one service, lobster purchasing, for its members. The lobster from this co-operative is processed and marketed by the co-operative in the neighbouring community of Baie Sainte-Anne. The Pointe-Sapin co-operative is the only one that uses intercooperative services in order to market its products.

The Baie Sainte-Anne Fishermen’s Co-operative separated from the consumer co-operative in 1987. It specializes in the processing and marketing of lobster, as well as herring, scallops, herring roe, and smelts. It has 47 members in addition to product supplied by 28 inshore fishermen from two nearby communities. In addition, it provides jobs for 125 seasonal workers, 80 percent of whom are women. The average hourly wage is $5.77. The co-operative has assets worth $2.5 million and a sales total of about $4.5 million per year. Its storage capacity is 20,000 lb. per day. It has marketed its lobster through Sogelco, a Montreal brokerage firm, since the UMF went bankrupt in 1988.

The Richibucto Village Fishermen’s Co-operative bought the facilities of the former UMF co-operative after the 1988 bankruptcy. It specializes in lobster. In order to have more flexibility in decision-making, the co-operative decided to form a company called Cap-Lumière Fisheries. It has 63 members and also is supplied by approximately 130 fishermen from fishing communities in Nova Scotia and Prince Edward Island. As well, it provides jobs for 250 production workers four months per year. Seventy-five percent of these workers are women, and the hourly wage ranges from $5.50 to $5.75. The workers are not unionized.

The co-operative’s total annual sales of lobster products is approximately $12 million. Products are marketed through the Sogelco International brokerage firm. The co-operative had assets of $4 million before a fire destroyed production facilities worth $2.5 million in the winter of 1993. The fire delayed the implementation of the value-added processing project developed by Cap-Lumière Fisheries in partnership with the management of Sogelco international and approved by the members of the co-operative in 1992.

The Island Fishermen’s Co-operative Association Ltd., commonly known as the Lameque co-operative, consists of 50 inshore fishermen who are members of the Maritime Fishermen’s Union (MFU), 150 midshore fishermen who are members of the Association des pecheurs professionnels acadiens (Acadian professional fishermen’s association) (APPA), and 800 fish plant workers affiliated with the United Auto Workers (UAW). These workers are unionized and receive an average hourly wage of $8.10. The co-operative’s 1000 members own processing plants with an estimated replacement value of $25 million. Owing to the decline of the groundfish stocks, the co-operative’s fish purchases dropped from 31 million pounds to 28 million pounds between 1990 and 1992, and its sales fell from $24.5 million in 1990 to $21.5 million in 1992.

The co-operative’s industrial complex is made up of four processing plants: one for groundfish; one for snow crab (crab meat) and shrimp; one multipurpose plant that processes herring fillets, herring roe, crab
sections, lobster, and mackerel; and one that produces fish meal. In addition, there is a cold-storage warehouse that can hold nearly 3000 tonnes of fish and has a freezing capacity of 100 tonnes per day.

**New Partnerships for the Acadian Fishermen's Cooperatives**

The process of establishing partnerships with the private sector began in the mid-1980s at the Lameque co-operative and in the late 1980s at the other three, after the UMF went bankrupt. For the inshore co-operatives, it was a matter of filling the void left by the disappearance of the UMF in terms of marketing and processing, whereas the Lameque co-operative wanted to find new sources of supply in order to obtain sufficient volumes of fish.

For a few years now, the Pointe-Sapin fishermen’s co-operative has been working on a second-level processing project for North American hotel and restaurant chains, in partnership with a private company. Testing of the product has shown that it has real potential. Although the project has not yet materialized, it represents a new challenge for the co-operative management model. The solidarity displayed by the community is exemplary: 84 members from the Village of Pointe-Sapin (Which has fewer than 1000 inhabitants) have agreed to invest $400,000 in the project.

To date, the Baie Sainte-Anne co-operative sells its lobster exclusively through Sogelco for a 5 percent commission, and there is no indication that it will be getting involved in a more extensive partnership in the near future.

The partnership initiated by the Richibucto Village co-operative has reached a more advanced stage. Since 1992, the co-operative has been planning to expand in order to process new lobster products in a new type of packaging, as well as convenience foods made of lobster by-products for the European market.

Although the project was approved by the majority of the co-operative’s members, the new partnership, which would have given 50 percent of the shares to the members, 25 percent to the manager and 25 percent to Sogelco International, encountered a lot of resistance, particularly from the older members. Owing to the fire at the Cap-Lumiere Fisheries plant in early 1993, the scheme to build the new $7.2 million plant was shelved. Meanwhile, the co-operative is planning to start construction of a plant that will use new types of packaging, but not in partnership with Sogelco. For now, only the lobster sales contract with that firm is being maintained. The second- and third-level processing stages have been postponed.

The Island Fishermen’s Co-operative Association Ltd. (Lameque co-operative) has the most advanced partnership project. Because of its extensive involvement in developing groundfish products, the Lameque co-operative found it necessary to make a major investment in a freezer factory trawler that fished northern cod, turbot, and northern shrimp off the coast of Newfoundland and Labrador and in the Davis Strait area. The co-operative held half of the shares in the Osprey, while a Nova Scotia company, Nordic Fishing, held the other half. The Osprey sank in 1990 and was replaced in 1992 with a 66.6-meter trawler that can hold 820 tonnes of fish, has a gross tonnage of 2700 and a 5000-hp engine, and was built at a cost of $32 million. The shrimp caught by the trawler is processed on board, but the cod and the turbot are frozen and taken to the Lameque co-operative for processing so as to prolong work periods during winter months. However, the dwindling Atlantic groundfish stocks, especially the moratorium on cod fishing off Newfoundland, are causing serious profitability problems for the Lameque co-operative. Last year, management asked for a 10 percent cut in the total payroll, and although the request was supported by the fishermen, it provoked a great deal of resistance among the plant workers.
A Few Conclusions Drawn from the Situation of the Acadian Fishermen’s Cooperatives

First of all, the bankruptcy of the United Maritime Fishermen has had a profound impact on all the inshore fishermen’s co-operatives, which had become dependent on the UMF over the years.

Second, although some of the members feel threatened by partnerships with private companies, fearing that their power will erode, such partnerships are nonetheless viewed by most of the managers of the fishermen’s co-operatives as the solution to the problem of finding sufficient capital to develop the local co-operatives and keep them going. With only the capital provided by their members, the fishermen’s co-operatives would disappear, at least as businesses. It should be noted that, for a long time, they were the only businesses able to survive in these isolated communities.

Third, new partnerships between co-operatives and private shareholders must be based on negotiation and compromise. They must not be established to the detriment of democratic participation by the members and the communities.

Fourth, for the private partners, the flexible renumeration formula used by the co-operatives (in selling their products and distributing patronage refunds after sale) represents a basis for cooperation that would be difficult for a private company to establish.

Fifth, the members’ sense of national identity and their attachment to their communities are among the most important aspects of these fishermen’s co-operatives. Founded in the 1930s and 1940s, they have managed to build a foundation of mutual aid and solidarity that has promoted the development of leadership and initiative. They also have created jobs and businesses in communities where many private companies have been forced to close their doors.

Sixth, industrial unionism, although it guarantees democracy within the co-operatives, appears more conducive to maintaining the status quo than to new forms of work organization and participation in the business.

Lastly, the members of the fishermen’s co-operatives still have a tremendous need for basic education (44 percent of the population of Kent County and 36 percent of that of Gloucester County is illiterate), as well as training and information about co-operatives.