

**Implementing Canada's Rural Development Policy  
in a Knowledge-Driven Economy –  
the Case of Manitoba**

**by**

**Dr. Charles Conteh  
Public Policy & Management  
Dept. of Political Science,,  
Brock University, Ontario**

# Introduction – Challenges of the Last Two Decades

- Increasing global economic restructuring and increasing competition from emerging economies (Implications for agriculture, forestry mining and fishing sectors).
- Resource depletion
- Substitution of synthetics for natural commodities,
- Substitution of capital for labour in production (the irony of technological productivity),
- Relocation of natural resource industries to low-cost jurisdictions in the developing world,
- and low real prices on global markets, which (after NAFTA and WTO) are no longer mitigated by subsidies, trade protection and business incentives.

The data confirm the relative decline of the natural resource based economy in rural and northern Canada with persistent problems sustaining employment in rural-based manufacturing, increasing regional disparity and rural/northern impoverishment, despite large income-equalization payments over many decades

These are long-term structural trends, and these problems continue to plague the efforts to diversify Canada's rural economy over many years.

The above trends and the transitions also suggest the need to re-think the institutional capacities for regional (rural and northern) economic development in Canada

The experience of the provinces of Manitoba (and New Brunswick) over the past two decades will serve to illustrate some of the complexities and challenges of regional economic development policy governance

The implications of the above-mentioned changes for the mandates and strategies of two federal agencies tasked with managing regional economic development in the two provinces.

# The Context of Knowledge-Driven Regional Economic Development

- modernization of traditional industries (like forestry, fishing, agri-business, etc);
- diversification of the rural economies through service industries and tourism;
- development of small & micro enterprises;
- exploitation of the potentials for research and development, and
- selective infrastructure development and social development (esp. better access to health care & education)

# Competing frameworks of Policy Responses

Within such a context as described above, governments are faced several options:

First, do nothing;

Second, create an agency (ministry, department or the like) and grant it resources to spend on the problem and hope it goes away;

Third, divest responsibility to communities, give them some resources, ask them to provide annual report to the public agency, and then hope they can figure out solutions to their problems;

Fourth, and often the most difficult yet, most necessary, is to establish collaborative ventures consisting of inter-jurisdictional and inter-organizational partnerships.

# The Multi-Actor Implementation Framework

Building on the fourth option of policy implementation, this framework focuses on three key variables

1. Intra-organizational capacity
2. Multi-level governance
3. State-society partnerships

# **Case Study: Rural Economic Development in Manitoba**

RED in Manitoba through the lens of the Western Economic Diversification agency (WD) over the past decade

# The Manitoba Policy Context of Rural and Northern Development

The province's 2003 "Action Strategy for Economic Growth", "Northern Development Strategy" and the "Creating Opportunities" Plan set the broad policy framework of rural and northern development

In general, these Plans have identified a number of policy initiatives for rural and northern regions that are consistent with the paradigm of regional economic development in knowledge-driven systems.

Some of the initiatives include assistance for farm and rural families with the goal of enhancing their knowledge and skills in leadership and management, marketing, sustainable production, and value-added processes

These initiatives are targeted at knowledge production, exchange, application and commercialization involving entrepreneurs, researchers and venture capitalists within , for instance, the agri-business and the bio-based sectors (such as food and health, bio-products, energy, and agriculture).

# Key (federal and provincial) Departmental Program Activities

WD's current operational priorities for Manitoba (and the rest of Western Canada) include: technology commercialization; trade and investment; and business productivity and competitiveness.

(The fourth priority, rural economic diversification, has been taken off in this current 2011-12 strategic plan)

However, WD is still involved in rural and northern development through its 16 Community Futures Development Corporations (CFDCs) and 17 CDEMs in the province.

Like CFDCs, CDEMs work with Community Development Corporations (in bilingual municipalities) with the goal of promoting economic development and successful businesses in disadvantaged rural and northern communities.

Agriculture and Agri-Food Canada (Agric-Canada) and INAC (WD's sister federal agencies in the province) have very similar programs that fall within WD's mandate.

For example, although Agric-Canada does not necessarily have a rural development mandate, its agricultural mandate in the province is intrinsically connected to rural development.

The department has a five-year partnership framework with the provincial government called "Growing Forward". Under this partnership, they cost-share initiatives (60-40) which include the following: Business risk management programs; innovation and science programs; business development programs; and environmental development programs.

Under the Growing Forward partnership framework the province has developed a suite of programs within MAFRI's portfolio such as: *Advancing Agric-Innovation program; Agric-Extension Innovation Program; Business Development Management; Agri-Food Research and Development Initiative (ARDI); Farm Innovation and Diversification Centres Program; Northern Agriculture Program;*

Other program initiatives for rural and northern regions (again within MAFRI's portfolio) include

The creation of Regional Development Corporations; the Rural Economic development Initiative (REDI) Rural Entrepreneur Assistance Guarantees (REA); and Skill Development for Young Entrepreneurs Program;

(The seven RDCs serve to encourage regional development initiatives, including in rural and northern Manitoba).

The provincial Ministry of Aboriginal and Northern Affairs (ANA) manage a number of Northern initiatives such as:

the Community Economic Development Fund;

the First Peoples Economic Growth Fund;

and the newly created Métis Economic Development Fund.

Meanwhile, federal Indian and Northern Affairs Canada (INAC) has its own community economic development programs. Under the Gathering Strength initiative for instance, INAC manages a suite of programs for remote communities and Indian Reserves, including Commercial development of lands; human resource development; economic development; infrastructure, and business ventures.

INAC also funds a number of annual studies as well work closely with Assembly Manitoba Chiefs (AMCs) and Tribal Councils

In short, each of the departments have developed a rather impressive suite of programs for the rural and northern regions of the province

# So what is the problem?

**(Well, partly structural – as noted above – and partly institutional)**

*First, institutional fragmentation in policy implementation – departmental silos*

Three federal agencies (WD, Agric-Canada and INAC) with overlapping mandates and suite of programs operating without institutional reference to each other

*Second, program duplication*

WD's CFDCs activities duplicate the province's RDCs.

INAC's Gathering Strength initiatives duplicates Aboriginal and Northern Affairs' programs

INAC continues to conduct a number of studies each year after the province has conducted extensive studies leading to the Northern development Strategy (NDS)

*Third, bureaucratic rivalry and jurisdictional turfs*

E.g. RDCs are the “poorer cousins” of the well funded CFDCs. The RDCs seek to demonstrate their relevance by sometimes undertaking programs for which they don’t have the resources.

*Fourth, and most serious (resulting from the other three), a potentially incoherent framework leading to less effective policy intervention as sectoral policy interventions tend to be logically inconsistent with the complex and interrelated nature of regionally defined problems*

The tendency to divide public policy into sectoral parts (as governments are organized and prone to think and act) never quite seem to come together for the people living with and through the problems of disadvantaged regions in a rapidly restructuring and knowledge-driven global economic system.

# Policy Lessons and Conclusion

The complexity of modern public policy environments means that managing rural economic development could be better viewed as a process of navigating institutional boundaries rather than simply optimizing departmental program output.

The analysis of the case of Manitoba illustrate that the emergent threads of regional economic development policy governance woven through a wider fabric of knowledge-driven systems requires the ability of public managers to make connections across levels of government and outside government, and share ideas, resources and power with public and non-state actors.

Simply decentralizing policy responsibility to local communities in the new economy (as a way of overcoming departmental silos) does not necessarily translate into greater adaptive capacity for rural and northern communities - as such capacities are a function of the institutional structures of multilevel governance that can appreciate and address the full range of complexity in the global economy.

Navigating institutional boundaries to achieve joint policy action, therefore, consists of particular forms of inter-jurisdictional and inter-sectoral collaborative networks

Collaborative governance is especially about softening and penetrating the jurisdictional rigidities of departmental boundaries – or “turf-bursting” – to achieve a goodness of fit between policy intervention (characterized by inter-sectoral coherence) and the systems complexity of the modern economy.