



Building the Next Generation Economy in Saskatchewan

Coming together to move ahead?

SUMMARY OF FORUM DIALOGUE

Saskatchewan Economic Development Association

Building Provincial Economic Capacity





On March 6, 2007, the Saskatchewan Economic Development Association (SEDA) - in partnership with Saskatchewan Regional Economic and Co-operative Development - hosted the *Building the Next Generation Economy in Saskatchewan* Forum in Saskatoon.

In bringing together one hundred and sixty community leaders and economic development practitioners from across the province, SEDA's primary objective was to identify potential areas of common ground within the provincial development framework.

James Gollub of ICF Consulting provided a foundation for discussion via outlining his model of high performing regions. Gollub proposed that a "fresh and more systematic alignment of the entire continuum of economic input 'suppliers' - public or private - be undertaken in order to provide the foundation for next generation economies". The barometer of a high-performing economy being "the ability to meet the constantly changing needs of a community's industries".

Gollub emphasizes that in North America we still rely too much on 'programmatic' approaches to improvement, which in themselves often block the necessary change. He affirms that communities need to expand beyond traditional efforts that focus on programs for enterprise formation, business retention or industry attraction, to what might be called "Clusters 2.0" - a continuous engagement of all stakeholders in a process of learning and innovating their service delivery.

Introduction

The holistic Clusters 2.0 strategy places communities and regions in the role of key "suppliers" in the global economy, and from this perspective they can then build and sustain the jobs that employ their citizens.

To actualize this strategy, Gollub proposes that every agency and institution needs to become a learning organization, ready to adapt its "product" to market demand. They must learn to anticipate market needs as much as possible, rather than reacting. This means:

- Every training agency and educational institution makes certain it provides the skills needed by the constantly evolving industries in their local region.
- Universities and laboratories develop technologies that enable producers to innovate.
- Financial institutions serve each cluster's unique capital requirements.
- Transportation, logistics and utilities must respond to the timing, quality, quantity and pricing realities of key industries.
- Government agencies have a customer-focused approach to working with their economy's different clusters -in areas such as permitting, regulation or taxation.

Interdependence rather than isolation is clearly the hallmark of high performing regional economies according to Gollub. This view was echoed by forum participants and reflected in the core themes which emerged during group discussions on March 6, 2007 and articulated within this summary report.



Gollub's key economic builders or 'foundations' provided a framework for group dialogue during the forum. The following 'foundations' were utilized to separate participants into discussion groups:

- Innovation
- Workforce Skills
- Quality of Life
- Marketing
- Logistics and Communication
- Resources
- Finance
- Governance

A broad array of "input groups and institutions" were identified as active within the Saskatchewan marketplace. Many were also common to more than one discussion group, illustrating the interdependence of economic foundations. They are:

- Land owners
- Service clubs
- Housing authorities, housing co-ops
- Health care stakeholders (professionals, facilities etc)
- Corrections institutions
- Professionals in all sectors
- Securities Commission
- Sporting associations, cultural organizations, museums, libraries, recreational groups.
- Temporary shelters such as the Salvation Army, churches, community based organizations
- Industry Associations (eg: PAMI)

Dialogue

Each group answered the following questions:

1. Identify all "input" organizations, agencies and institutions which should be playing a role in the global marketplace.
2. What are the competitive needs and what challenges do Saskatchewan regions face in responding to cluster needs?
3. How can stakeholders partner within a region and what is needed to enable future collaboration?

Answers to these questions were documented and common issues identified within this document.

Input Institutions

- Foreign investment, credit unions and banks.
- Repatriated residents, friends and family, retirees
- SAINT investors and venture capitalists
- Consultants
- Local, regional and national non-profit organizations
- All levels of government including First Nations government.
- Universities, regional colleges, post secondary institutions within and outside of Saskatchewan
- Think tanks such as the Conference Board Canada and Canada West Foundation
- Research Parks, innovation companies and organizations (Sask Research Council)
- Entrepreneurs and co-operatives
- Regional Economic Development Authorities, Chambers of Commerce and Community Future Development Corporations
- Tourism organizations



Key Issues and Challenges

What are our competitive needs and what challenges do our regions face in responding to cluster needs?

Coordination and Integration

Many agencies, organizations and communities are involved in delivering services within the continuum of community economic development. Concerns were identified in reference to accessibility, effectiveness and efficiency due to the lack of integration and coordination of these services. Redundancies and duplication of services was also highlighted by forum participants.

The general public remains confused about what services and supports are available and where to get them. Individual inquiries may not fit the specific mandates of organizations or program criteria and may be redirected from agency to agency.

People often have to deal with several organizations to put together the specific programs and services required. Individuals can 'fall through the cracks' and may not receive the full information and therefore not benefit from the programs.

Multilevel regulatory requirements are needed to improve consistency across a region. The province is fragmented and constituents are

working separately for the same goals which is a waste of effort and resources.

In the past, collaborative regional efforts may have focused on only one issue or initiative. We do not have working examples and best practices in Saskatchewan to support us bringing together a selection of diverse economic stakeholders—working on broad based strategies.

Leadership and Focus

Lack of capacity and lack of qualified leadership emerged during discussion as a key challenge. Do we have the necessary population and focus capable of building a critical mass necessary for high performing regional economies?

Our Environment

Climate change and emerging environmental protection legislation will impact potential business development. Are we ready for this and how can we use these anticipated changes to our advantage.

The inherent isolation of some Saskatchewan communities and First Nations Reserves restrict population and business growth. Can this be overcome?

Saskatchewan Attitude

Changing the Saskatchewan mindset and attitude must be addressed at several levels. At a grass roots level, we need to move from a product focus to a process mindset. Innovation in process is not sought after and is a desirable and achievable goal.

The government mindset must also be 'retooled' in terms of how governments views, supports and promotes business development and entrepreneurs.

Saskatchewan has failed thus far to create an environment for innovation. Introduction of the entrepreneurial culture or desire to innovate must begin in schools with new curriculum and programs.

This lack of innovation links to the perception of Saskatchewan by those outside the province. We are perceived as reactive—which we tend to be—not preventative and proactive in our policy and programs. Our attitude as a people tends to be risk averse and does not translate into investment in our own economy.

Financing

Innovation and business development requires much more diversity in terms of sources of financing. Financial capacity in rural areas remains minimal and must be addressed. Financing on First Nations reserves is also restricted due to regulatory issues. The province as a whole is characterized

by a lack of investors and this paradigm needs to shift. The province does not have a network or toolkit of investment that includes tax incentives and investment plans. Matching funds to support regional economies and clusters are not available.

Current provincial funding for regional organizations is based on a general formula and does not reflect the individual strengths of individual regions. This contravenes basic community economic development philosophy and takes us back to a 'cookie cutter' approach to development.

Education and Skills Acquisition

Lack of knowledge in marketing as well as product development, market identification and distribution was highlighted as a significant gap and therefore a challenge within the province. A demonstrated lack of accessibility to education and training as well as shortage of professionals and specialists was also evident in certain sectors

The lack of skilled labour to meet current and future needs was a common discussion theme in reference to skills development. Forum participants voiced the need for flexible, adaptable and diverse skills to serve our market.

In terms of project development, a lack of expertise in kick-starting projects was identified as a concern, as well as access to engineering design and associated labor skills. Project management skillsets are not evident in the marketplace and need to be taught and then implemented.



Key Success Factors

How can we partner within a region and what is needed to enable future collaboration?

Partnerships

They must take an entrepreneurial approach that shows both leadership and flexibility to building regional economies. The partnership must be perceived by all stakeholders as a primary element in the region's growth strategy or as a mandate for all the respective players.

In addition to a continued ongoing dialogue between stakeholders, partnerships must be formally framed in a Memorandum of Understanding or agreement. There must be a demonstrated commitment to proceed.

These relationships must have the flexibility to accommodate new conditions or the changing needs of the stakeholders. A diary or track record of commitment and accountability must also be developed.

Clear lines of responsibility and accountability along with a means to monitor and measure progress is required.

Commitment

Regional and provincial stakeholders must stick with this 'vision for the future'.

Attitudes

Addressing the remaining resistance to change must be undertaken as well as attitudes toward agriculture. Perhaps a Rural-Urban Accord needs to be brokered in our province to underscore the value of rural to urban residents.

We must move Saskatchewan people to a risk taking culture from a risk averse culture. All stakeholders need to take ownership of the problems and the solutions.

There needs to be a redefinition of partnerships, competition and risk and a good understanding of these three concepts.

Barriers and borders both within and outside of communities need to be eliminated. This is linked largely to attitudes and perceptions.

Management

Traditional project management techniques should be applied to any regional collaboration including the identification of a clear set of deliverables, a schedule of activities, and an assignment of detailed responsibilities. Well defined objections and realistic expectations must be set.

Innovation

“Outside the box thinking and a passion for what we are doing in this province will build the next generation economy”, according to forum participants. Competition breeds innovation and as such we may need to become comfortable in some degree of ‘creative destruction’ along the way.

Innovation is also required in community based organizations (CBO’s) and non-profit organizations (NGO’s) as well as in government. This includes a willingness to share and an openness to doing things differently. It may mean a coalition amongst existing organizations.

Communication

Success will be related to clear communications by all partners and no hidden agendas. Ongoing and effective lines of communication must exist in all areas – including highlighting problems or concerns. Formal and informal communication channels should exist between stakeholders.

Workforce

Each region must have enough population and labor demand to support diverse needs. If regions are too small, demands from industry will be fractured. If regions are large, effective linkages, communications and processes must be in place.

Collaborative Framework

The government (municipal, provincial, and federal) should be leading by example in spearheading collaborative initiatives. More inter-provincial co-operation is required to support the growth of the Saskatchewan economy - which is largely a public sector domain. In addition, a greater level of collaboration between government and private sector industry is required with an associated reduction in protectionism on the part of government.

There is much potential for collaboration in Saskatchewan including north-south partnerships and horizontal co-operation within a region (including communities, First Nations and rural municipalities). A strong foundation must be laid to build cultural collaboration in the province.

Greater cooperation between business, industry, non-profit partners and educational institutions (streaming) would also be effective.

Regional collaboration will succeed when it provides benefits or common good for all participants. This will require establishing common ground and a willingness to share. Perhaps adopting a perspective of ‘stewardship’ by all parties may assist in moving forward in a meaningful way.



Future Directions

In reviewing key dialogue from the *Building the Next Generation Economy* forum, the ‘development process’ itself emerges as the dominant challenge as well as opportunity – with respect to building our provincial economy.

Partnership, collaboration, management, leadership, communication – are at the crux of the needs analysis obtained from forum participants who are practicing community economic development on a daily basis.

After successfully evaluating and implementing a number of policy and sector initiatives recommended by ACRE—as well as addressing recent capacity building priorities generated from the Clearing the Path initiative—it appears that it is now time for the Province to revisit the foundational ‘development framework’ required to build a high performing economy.

It is generally agreed that economic development collaboration has been active in Saskatchewan via initiatives such as the REDA and the small business loans programs. Both initiatives have required multiple stakeholders to come together in deployment. However, challenges remain in terms of the degree and breadth of regional stakeholder engagement. Key issues impacting the effectiveness of regional communities of interest have emerged from forum discussion. It is clear that the current provincial fabric of REDA’s, northern development corporations, municipalities, CBO’s and

the broad array of other ‘input institutions’ must move to the next level of collaborative endeavor required to build a high performing economy.

Can Government Set The Bar?

There is general consensus that governments should set an example and break new ground via innovative co-operative endeavors. Greater emphasis is being placed on government capacity to operate in an integrated manner.

The Crossing Boundaries report entitled “*Transformational Changes and Policy Shifts in Support of Partnering – Within, Across and Outside Government*”, pointed out that “as governments transform to meet citizens’ rising expectations, partnering arrangements within, across and outside government, are essential in order to deliver services to citizens in a seamless and integrated fashion”. The report highlighted that while there has been almost unanimous support for partnerships—as an effective way to achieve sustainable results in both service quality and cost effectiveness - there has been limited adoption of innovative partnership models across Canadian governments.

Gaps on how to develop and leverage partnership models appears to be a national issue and not exclusive to Saskatchewan. There is a general view that partnering arrangements have become more complex, that partnering options need to exist, and that “delivering on the value proposition of partnerships will require much greater political, and senior

executive focus and commitment”. As we reshape regional economies, the provincial and federal governments must also reconsider the best way to deliver future community economic development programs and services—as well as effectively link to offerings of industry and non-profit partners. It is important to reinforce that community economic development requires inclusive involvement of almost all sectors of the community.

As the primary funding agent of community based organizations, is it time for government to spearhead collaborative endeavor in this sector as well, with respect to effective provision of programs and services, and reducing competition for limited resources?

Creating a coherent and effective development framework

There appears to be clear direction with respect to creating a deployment system that is based on:

- Clear roles and responsibilities that are complementary, not redundant.
- Effective utilization of resources by eliminating overlap, duplication and inefficiencies.
- Organization and deployment of services so they are efficient, accessible and convenient.
- Improved linkages between programs and services both inside and outside government.

Developing linkages that are coordinated to meet the needs of stakeholders should be a priority of government and all associated partners.

Accountability and assurances that tax payers dollars are being used efficiently underpins this desire for clarity.

In order to enable successful client-centred and outcome-focused programs, silos must be dismantled or at a minimum, their walls must be breached. The overarching goal must be to work together to build a development framework which recognizes that the needs of an individual or community are rarely met by just one silo in isolation.

Laying a Foundation for Partnership

Partnerships are relationships that are generally built on collaboration rather than exchange. Forum participants highlighted only a few variables that are considered essential to pursue a healthy and viable partnership. These include: trust; flexibility; defined roles and responsibilities; transparency; shared understanding and risk; clear communication and commitment.

Canadian research indicates that a strong governance model is viewed as being critical to partnering success and at the same time - a challenge. Poor governance was cited as one of the most common reasons for the failure of partnering arrangements. Linked to the issue of governance is the desire for accountability —often without clear guidelines on how to realize that goal.

Inclusion is another issue that is central to the future of partnerships in Saskatchewan. This translates into northern and remote communities and relationships with Aboriginal communities. It also relates to including all initiatives as

encompassed by the 'community economic development' philosophy. Less silos, more synergy.

It is apparent that sharing of best practices on proven partnership models is required in order to nurture their growth in Saskatchewan. However, we cannot discount developing new, innovative models that are best suited to our province. The 'co-operative' governance model for example, may be well suited and relevant to the multi-stakeholder needs of next generation regional collaborations.

Changing Attitudes

How do we encourage Saskatchewan residents to adjust their attitude to one of risk taking and innovation?

The capacity to create, change and adapt appears to be a universal phenomena in all species aside from the human. "We appear to be the only species to dig in our heels and resist" (Wheatley; Leadership for an Uncertain Time). While kick starting this dormant gene appears to be in order, innovation is also a close relative of empowerment and leadership. Are key stakeholders in the development framework nurturing empowerment within their communities? Are we reaching beyond the short term needs of individuals and organizations to best serve the long term viability of the community and region? Or is micro outweighing macro at every turn.

'Networks' are an effective and under-utilized tool for changing attitudes. Our 'identity' is based on our values, Intentions and motivations. Identity

in turn drives our actions. However, we do not often recognize that our 'identity' comes from somewhere. Unlike innovation, it does not appear to be genetic, but is derived from our relationships - from our networks.

Acknowledging that networks can unconsciously adjust our values and attitudes increases the value and utility of this potential vehicle to build economic capacity regionally and ultimately provincially.

The New Regionalism

Similar to the Gollub model of high performing regions, University of Colorado Professor Allan Wallis describes the 'new regionalism' as being the shared responsibility of all sectors. Moreover, it requires the shared powers and talents of these sectors working strategically to affect change. The old regionalism was concerned with defining boundaries and jurisdictions, aiming to clearly demarcate the region in terms of boundaries for growth, service delivery and job markets. The region was, in effect, closed. You were either in it, or outside of it.

The new regionalism accepts that boundaries are open, fuzzy or elastic. What defines the extent of the region varies with the issue being addressed. The elasticity of boundaries makes it easier to put together cross-sectoral governing coalitions. The new regionalism gains power by empowering.

All those with a vested interest in building a high performing economy must be prepared to relax their hold on past process and structure and focus on what

is required to move this province ahead. This means ignoring any inclination for protectionism that may be linked to organizational or geographical boundaries. It means taking ownership and reactivating the innovation gene.

SEDA's Role

The Association continues to engage a variety of stakeholders including communities, practitioners, organizations and businesses. It acknowledges that the provincial marketplace has changed over the twenty four years since SEDA's inception and that new processes and relationships may now be in order.

We feel that SEDA's provincial-directed approach to building economic capacity is a critical and holistic step in moving Saskatchewan forward. It is a collaborative process focused on maintenance of fundamental relationships. A provincial directed approach leverages human capital by getting various networks to work together to exchange information, capitalize on emerging opportunities and align themselves around common goals.

We therefore propose to assist in creation of a coherent, effective development framework via the following initiatives:

1. Mapping the CBO Marketplace

In order to ensure the development of a coordinated framework, the role of community based and/or non-profit organizations must be clearly outlined to define gaps and evaluate services that may be considered redundant.

2. Encourage Empowerment

SEDA will continue to play a critical role in impacting attitudes through developing linkages, provision of technical assistance and facilitation of knowledge exchange.

3. Identify Best Partnership Practices

Research on best practices provincially, nationally and internationally will be conducted and produced as a resource for Saskatchewan stakeholders.

4. Promoting Effective Cooperation

Potential to enhance province wide coordination of organizations, programs and services exists. SEDA's mandate is to provide value to our members, partners and allies as well as build the economic capacity of Saskatchewan communities. We are confident this goal will also resonate for other organizations and agencies. As such, SEDA will continue to advocate for greater integration in the array of programs and services available to communities, development practitioners and the private sector. This will deliver on the demonstrated desire for accessibility, accountability and sustainability.

5. Building Active Partnerships

SEDA is currently reaching out to complementary provincial organizations and agencies to discuss areas of potential collaboration and partnership. We feel that taking meaningful steps at a provincial level is essential to building multi-stakeholder co-operation at a regional level.

We invite your participation.

Saskatchewan Economic Development Association

Box 113 Saskatoon Saskatchewan S7K 3K1

Tel: 306-384-5817 Fax: 306-384-5818

www.seda.sk.ca