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From the Bottom-up?

**The Chaleur Regional Development Commission Inc.
A Case Study**

By

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061715

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in partial fulfillment of the requirements for the degree
of Master of Arts in Political Science,
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Director: Professor Caroline Andrew



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INTRODUCTION

Regional development is a term with which practically every Canadian is familiar. The various levels of Canadian government have all attempted to rectify regional disparities and imbalances through the use of various development programs. Until recently, these attempts were state-centered. In other words, a top-down approach was used. The principal actors of this approach are more often than not senior bureaucrats at the federal and/or provincial level with little or no input from the region in question. The last few decades have put into question this approach and in some cases, rejected it in favor of a new and/or emerging model of development. This model is often labeled the bottom-up alternative; it is referred to as an alternative to top-down development. It claims to reject state-centered development in favor of development initiated from the local or community level. The state is not the central actor in this type of development but rather it is the members of the region in question who conceptualize and implement the programs. In some places, the state's role is completely rejected and in others the state is to act as a facilitator. Increasingly, this new trend is reflected not only in the communities and localities who opt for this type of development, but also in government programs which minimize the occurrence of an antagonist relationship between the state and the communities who engage in this type of development.

The purpose of this thesis is to examine one particular case study of regional development to determine whether or not the Chaleur region is an example of the bottom-

up alternative. If it has, how has it incorporated these new development ideologies within its development process. This requires an analysis of various factors and for this reason my thesis will be divided into three chapters. The first will provide the reader with an overview of the theories, concepts and strategies which make up the bottom-up alternative and elaborate on how this model differs from past ones. The second will provide the reader with an historical evolution of the Chaleur Regional Development Commission, which is recognized by both the federal and provincial governments as one of the main vehicles to foster economic development. The chapter will look at its development projects and present activities; and the structure within which it operates, while at the same time examining the limitations. This will provide the framework for determining whether or not the Chaleur Regional Development Commission engages in development from below. The third chapter will summarize the findings of my research and attempt to answer my thesis question as to whether or not the Chaleur region is currently practicing development from below, while trying to identify the major factors which influence the kind of regional development undertaken.

I have chosen the Chaleur region as the case study for my thesis for two reasons; one more theoretical and the other, more practical. Northern New Brunswick, and New Brunswick in general, has been the scene of many regional development projects yet they continue to perplex various academics and development practitioners because until recently, and in some cases today, it is referred to as a have-not province.¹ Northern New Brunswick, which includes the Chaleur region, still lags behind other economies. There

¹ Although McKenna's active economic development agenda is starting to change this long-time perception.

have been few studies done on this part of the province even though incredible amounts of funding have been poured into the region.² Those studies we do find, albeit excellent tend to focus on past developmental efforts and /or the regions' resources. These do provide the necessary framework for my thesis because they provide excellent background information. To my knowledge, there are no studies on the Chaleur region per se who attempt to evaluate the influence of the bottom-up alternative on the commission's activities and objectives. It is, however, also important to note that there are an increasing number of similar studies which evaluate the bottom-up alternative in other regions.³

The second reason relates to the fact that I am from the Chaleur region and therefore have a direct interest in the development of the region. This interest has led to direct engagement in this development process as I am currently employed at the Chaleur Regional Development Commission. I started this work towards the final stages of my research, therefore, the thesis is only in part from the perspective of a participant in the regional development process.

The first chapter deals with the various theories, concepts, and strategies of the alternative, which encompasses both community and local economic development (CED & LED). An overview of these is essential because we must first define and understand these in order to evaluate and pinpoint its' presence in the Chaleur region. This requires a brief overview of numerous perspectives as defined by regional development theoreticians

² There are a few exceptions such as La Lutte pour le Développement : Le cas du Nord-Est. Edited by Donald J. Savoie and Maurice Beaudin. (Québec: Presses de l'Université du Québec et Institut Canadien de Recherche sur le Développement Régional, 1988) and Le Nord du Nouveau-Brunswick : Une Région a Ressources Face à la Nouvelle Économie. Document de Travail No. 2 by Maurice Beaudin (Moncton: Insitutut Canadien de Recherche sur le Développement Régional , August, 1994).

³ Some of these studies will be addressed in the first chapter.

and practitioners in order to find an acceptable definition of the bottom-up alternative. The easiest way to derive a working definition of the alternative is to classify existing definitions around the five principal themes of the alternative. These include: the spatial dimension, institution-building, marketing, the role of government, and the role of the private sector.

The second chapter which focuses on the Chaleur Regional Development Commission (CRDC) will firstly explain what is a regional economic development commission and provide a brief description of the evolution of the CRDC. Upon completing this part, I will explain the structure, role and purpose of the CRDC. The third chapter will answer my thesis question of whether or not the CRDC can be classified as a bottom-up organization by drawing upon information derived from both my personal observations and both the first and second chapter.

The concluding chapter will provide an analysis of the thesis as a whole by drawing upon the information gathered in the preceding chapters. Once this is completed I will be able to provide the reader with the answer to my thesis question, the implications and a discussion of the major reasons why the CRDC and the Chaleur region are doing the kind of development that they are. In other words, if they are using the bottom-up alternative as a development model why is this so.

Each section addresses different types of issues with the common goal of assessing the type of regional development policies being used in New Brunswick. Due to the differing nature of the three sections, different types of research tools will be used. The first section which is theoretical in nature entails an examination of existing literature on

the bottom-up alternative. The second and third section on the CRDC will consist of examining the commissions' by-laws, pamphlets, and other related documents but more importantly, it will draw upon my personal observations as both an observer and a participant in the regional development process in the Chaleur region.

In conclusion, the purpose of my thesis is to determine whether or not the bottom-up alternative is utilized in the Chaleur region. This will be achieved by firstly outlining what the alternative is, secondly by outlining the role the Chaleur Regional Development Commission plays in the development process and lastly by drawing conclusions from the previous chapters.

CHAPTER ONE

THEORETICAL CONSIDERATIONS

Globalization, decentralization, fiscal restraint, and discontent with existing models of development are the reasons most often cited for the emerging trend in the field of regional development. The term most frequently coined for this emerging trend is the bottom-up alternative.⁴ Various academics and practitioners of regional development claim that this model provides us with an alternative to past models and/or is an attempt by various community members to take control of their destinies through community initiated development endeavors. The bottom-up alternative encompasses various forms of endogenous development models such as community and local development. Community and local development can best be described as alternatives to the state-centered approach (or development from above model) where the state and its' institutions are the principal actors in the development process. These new types or remodeled⁵ development models consist of new actors (members of the region at hand) and also new considerations. The bottom-up alternative combines economic considerations with social,

⁴ Development from below and bottom-up development will be used interchangeably.

⁵ I also use the term remodeled because community and local development used to denote industrial recruitment and/or smokestack chasing. For an expansion on this please see; R. Scott Fosler, ed. Local Economic Development: Strategies for a Changing Economy.

cultural, political, and environmental ones.⁶ Economic growth is no longer the sole driving force.

The aim or purpose of this chapter is two-fold. Firstly, it will attempt to define the bottom-up alternative by examining various definitions given by regional development theoreticians and secondly it will establish a common methodological thread amongst these definitions in order to base my research. In order to provide the reader with an overall view of the bottom-up alternative and to be able to link it to the following chapters I must first answer the following questions. What is the bottom-up alternative? Is it reactive or proactive? Who makes the decisions? Is it truly a bottom-up initiative where the ideas and initiatives originate at the community level (endogenous) or are these transcending from the top (exogenous) and community members just play a greater role in the implementation process?

The existing regional development theoretical literature is dominated by two distinct theoretical paradigms: development from above and development from below. Although there is evidence of the presence of the second theoretical paradigm prior to the early 1980s: it can still be said that the theoretical convergence and divergence of these two paradigms became of interest at this time. This can perhaps be attributed to the work of Stohr and Taylor. they proposed this theoretical dichotomy in 1981 to the field of regional development.⁷ There are certain characteristics inherent to both of these

⁶ It is also important to note that these are not always simultaneously present in endogenous models of development. Although, it has been noted that the most effective programs have taken all these factors into consideration. More often than not the development initiatives attempt to combine two or more of these factors.

⁷ The study in question is entitled: Development from Above or Below. Edited by W.B. Stohr and D.R.F. Taylor. New York: John Wiley and Son, 1981.

paradigms. Development from above involves a centralized decision making process whereas the decision in the development from below are made by the people of the region at hand based on a set of basic values inherent to its members:

“First, it is a development determined from within by the people of that society themselves, based on their own resources - human, physical, and institutional. Each strategy is therefore unique to the society in which it evolves. Secondly, it is egalitarian and self reliant in nature, emphasizing the meeting of basic needs of all members of the society, it is therefore communalist in nature. The ultimate aim of such a strategy is an improvement of both quantitative and qualitative type in the lifestyle of all members of society. It involves selective growth, distribution, self-reliance, employment creation, and above all respects human dignity. It is at one and the same time a new development strategy and a new development ideology.”⁸

As this quote illustrates, the bottom-up alternative is an endogenous model of development which is inherent in both community and local economic development.

The two distinct paradigms encompass various theories, programs, and policies. The main characteristic of development from above is that the decisions and programs are state-centered. The policies and programs are initiated by the upper echelons of government and can be adequately termed as a top-down approach. The second paradigm, which is the bottom-up alternative includes community and local economic development endeavors. Although there are various ways to classify regional development literature such as interventionist versus non-interventionist theories, I have opted for this theoretical classification because there are various strategies and methods which will help us comprehend both the emergence and significance of the second paradigm which is essential to understanding the latter parts of my thesis.

⁸ Ibid, p.475.

The origins of community economic development differs from author to author. Stewart E. Perry and Mike Lewis trace CED to the mid-1960s in the United States in the inner-city black ghettos. These communities believed that economic renewal required the consideration of both economic and non-economic factors as opposed to the popular view that development was a purely economic process.⁹ Whereas if we refer to Serge Côté article, it is a by-product of the profound economic change of the 1990s¹⁰ Another popular view as to the reasoning behind this emergence is that it is a reaction to the failure of past development models. I will argue in the following pages that the emergence of the second theoretical paradigm can be best understood as a combination of discontent with the failure of development from above to rectify regional imbalances and deteriorating economic and social conditions. This argument is neither rejected nor accepted by regional development theoreticians but rather it is the mean of the two proposed extremes.

Prior to undertaking an overview of the various concepts and strategies of the bottom-up alternative, it is essential to describe the first theoretical paradigm, which the second claims to supersede, in order to fully comprehend how the two paradigms differ from one another. This will permit the readers to determine whether or not this alternative is indeed what it pertains to be: an alternative to development from above. Is this emerging model truly different from past ones and/or does it act as an antagonist to the existing policies? Are both models being used and undermining each others efforts thereby creating more problems rather than resolving regional disparities? More

⁹ Stewart E. Perry and Mike Lewis. Reinventing the Local Economy. (Vernon, B.C.: Centre for Community Enterprise, 1994)p.2-3.

¹⁰ Serge Côté. "A L'heure de la mondialisation les politiques régionales de l'Etat central sont-elles devenues caduques?" in Egalité : Revue Acadienne D'Analyse Politique. Automne 1993, p.21.

importantly, by outlining the theoretical divergence of the two paradigms, I will also be able to trace the evolution of the new paradigm as it is partly a reaction to the development from above model and be able to answer how they differ.

The field of regional development has seen the emergence of various theories and attempts by government officials and development practitioners apply these theories. The list of such theories is quite exhaustive, and for this reason I have chosen to briefly elaborate on the more popularized theories: staples, market, development, growth pole and neo-classical theories. These approaches are all reflective of the development from above model as the implementation of these approaches or theories occurs at the state level and transcends to the regions.

The economic viability of a region, according to staples theory, is determined by the presence and marketing of its' resources. The economic decline that occurs upon failing to provide and market these resources explains why people opt to migrate. Every region at one time or another has been prosperous which explains why people moved there in the first place. Continued prosperity is dependent on various factors such as the supply and demand, supply and/or world prices. The acceptance of this theory was short-lived as there are many theoretical shortcomings to the staples approach. The first being that this theory is not exportable:

"Resources, however, are only one of the many factors determining the productivity of a region or nation, and evidence suggests that they are of minor significance in comparison with the combined effects of factors such as physical and human capital, the level of technology, scale economies, and so on. Thus the absence of resources in Switzerland does not prevent economic success, and their presence in Argentina does not guarantee it. Moreover, the extra output attributable to the availability of marketable resources in a region, whether they are sold outside the region or used in production locally, will generate income locally

only to the extent that the resources are owned locally.”¹¹

However, the staples approach is not the only theory which posits the problem within the region. Market theory also links the problem of regional disparities within the region. However, these are not created by the lack of certain physical characteristics but rather they are a result of market failures at the regional level.¹²

The development approach, which is perhaps one of the most popular approaches, was the foundation of the Department of Regional Economic Expansion (DREE). This approach does not completely reject the staples approach but can be seen as an expansion of this because economic success is seen as dependent on a variety of resources. However, development is not only economic but social as well and requires a variety of resources. Therefore, we need a multidisciplinary approach: “en somme, les problèmes de disparité régionale doivent être abordés sous divers angles, que ce soit par des moyens économiques ou sociaux. Comme les symptômes et les causes des inégalités régionales soient divers, les moyens d’interventions doivent l’être aussi.”¹³ However, we can see that the bottom-up alternative derives much of its foundation from development theories. Even though the major theoretical foundation of DREE rests upon development theories, shortly after its implementation growth pole theory was subsequently popularized by Francois Perroux and was embraced and applied by DREE. This theory argues that

¹¹ Economic Council of Canada. Living Together. (Ottawa: Minister of Supply and Services, 1978).

¹² For an expansion on Staples theory please see Economic Council of Canada and for an expansion on the Market theory approach see: Janine Brodie. The Political Economy of Canadian Regionalism. (Toronto: Harcourt Brace Jovanovich, Canada, 1990)p.25.

¹³ Donald J. Savoie. Essais sur le développement régional. p.21. For further expansion on the Development approach you can also see: Donald J. Savoie, ed. The Canadian Economy: A Regional Perspective. (Toronto: Methuan Publications, 1986)p.16.

economic activity tends to occur in certain areas. We must, therefore, reinforce this activity at the central focal points, and it will then trickle down the various regions.¹⁴

Like development theories, another view which has persisted is the neo-classical view which is rooted within the academic discipline of economics. It advocates that government intervention only aggravates disparities and makes the region further dependent on government transfer payments. The solution is, therefore, to let unimpeded market forces eradicate disparities. This view is increasingly being popularized by the renewed right wing or what has been termed the neo-liberal agenda (in Canada) and neo-conservatism (in Great Britain and the United States). These two ideologies advocate reduced government spending in virtually every government department. These ideologies have been able to influence the policy direction of their respective governments'. As a result, the last decade is witnessing a reduction in government spending with more emphasis placed on deficit reduction and the reduction of the welfare state.

Programs which fall into the old model have been numerous and quickly replaced, few have endured as new theories have become the foundation of new programs. There has never been a universally accepted theoretical approach to explain the existence of regional disparities and hence on how to rectify regional imbalances. In order to resolve any problem one must be able to identify its root cause to somehow overcome it. By using quick fix solutions which do not attack the root cause, we are merely making surface changes which will not ensure durable change. The problems will continue to resurface and in our case regional disparities will persist. Increasingly, the top-down approach is being rejected in favor of the bottom-up alternative because the above-mentioned

¹⁴ Janine Brodie, 1990. p.31-32.

approach fails to attack the root cause and does not take a multi-dimensional approach to the problem.

As found within any relatively new field there is much confusion as to a set definition of the subject matter. This can also be said of the alternative. The first problem we encounter when attempting to discern what this alternative entails is the various types of development there are and whether they can be applied. Literature on the alternative per se is quite limited because it is based on the various components such as community and local economic development (CED & LED) which make it up. These can be both said to form the bottom-up alternative. The common denominator of these types of development is that they embark on endogenous models of development.¹⁵ In order to help distinguish the various elements that form the bottom-up alternative, I have chosen to emphasize the five themes that run through the literature on the alternative into five categories: the spatial dimension, institution-building, the role of government, the role of the private sector, and marketing.

Prior to categorizing the various elements there is a need to give a brief overview of literature which defines the alternative as whole rather than on its distinct elements. The most comprehensive work seems to be a research report entitled Revitalizing Canada's Neighborhoods. A Research Report on Urban Community Economic Development under the direction of Stewart. E. Perry, Mike Lewis, and Jean-Marc Fontan, attempts to provide their readers with a systematic model of community economic

¹⁵ The concepts of local and community development (which constitute the bottom-up alternative) used in this paper will be interchangeable and represent the alternative. Some authors opt for the term local development (Coffey and Polèse) whereas other like Stewart Perry use community development. However, when we compare the definitions of the two we remark the similarities in the process. This is why I have chosen to consider these two types of development synonymous.

development by drawing together the information by 44 cases studies. The appeal of this report is its vastness.¹⁶ The authors pinpoint the debate as being related to the definition of the key terms; community and economic development. They state that there are types of CED. The first being the liberal perspective which situates the activities of CED as being to enhance the local economy by drawing on the region's resources (human, natural, and institutional). The progressive perspective, on the other hand, attempts to empower those in disadvantaged situations as a result of either geographical, physical, social, and/or economic conditions. The first is primarily economic development whereas the later attempts to integrate social and economic development. There are six CED models as opposed to the four proposed by Filion. However, there are only four functions: equity investment; business credit with related technical assistance, training or human resource development; and planning, research, advisory and advocacy services. The Equity Investment Model focuses on institution-building that is within community control as opposed to attracting foreign firms. The central mission of this model is to "build an economic base which is more accountable to community goals and priorities."¹⁷ The Loans /Technical Assistance Model fosters entrepreneurship within the region as a means of strengthening the community by both improving and empowering it. The human resource development model empowers marginalized people providing them with skills whereas the planning, research, advisory and advocacy services model, the last of the four basic functional models, provides the community with technical services. The first two

¹⁶ The majority of case studies examined in this thesis base their results on a smaller scale of analysis hence why this study is examined separately.

¹⁷ Stewart E. Perry, Mike Lewis, and Jean-Marc Fontan. Revitalizing Canada's Neighbourhoods: A Research Report on Urban Community Economic Development. (Vancouver: Westcoast Publications, 1993)p.20.

services are directed towards the geographical area whereas the last two are for a specific group (namely entrepreneurs). The technical assistance intermediaries provide services for CED organization such as staff and board training, organizational development, specialized business development services, inter-organizational networking, and advocacy and brokerage services. The development finance intermediaries offer loans and grants to community-based projects and organizations. These are not based in any one community but in many. An example of such an intermediary would be the Atlantic Canada Opportunities Agency (ACOA).¹⁸

The authors conclude their study by identifying the six key findings and then proceeds to offer recommendations to ensure the proper course of action. The first being that the most successful CED initiatives have been the ones which have used a multi-functional approach. In other words, those who were able to combine social and economic goals and did not limit themselves by using only one of the four basic options. They provided a variety of services with a strong emphasis placed on human resource development. To attain the objectives set by Community Development Corporations (CDCs). The CDCs face a greater problem of financing. Equity and debt capital is practically non-existent. The government is capable of assisting CDCs in this area. However, they should ensure that these are disbursed through CDCs because government funding is often inadequately disbursed. The government should realize that CEDs are not only income-generating institutions are not immediately self-sufficient because they attempt to meet the social as well as the economic needs. CDCs could generate more wealth if the government underwrote some of the social costs involved in CED initiatives.

¹⁸ For an expansion on any of these six models please see pages 30-60 in Perry, Lewis and Fontan, 1993.

Due to the multi-faceted requirements of such endeavors; CDCs must call on the help of other groups because they are unable to provide all the required services. The government could provide financial assistance in these instances also. The final finding of the study is that government programs can sometimes antagonize CED initiatives especially when dealing with marginalized people. The government must, therefore, get rid of existing disintents, and make it more appealing for community members to better themselves. As the key findings and recommendations of this study indicate, the government has a role to play in CED initiatives. The findings clearly concur with a majority of the other studies examined in this paper. The bottom-up alternative perhaps should be viewed as a third form of regional development, as Coffey and Polèse suggest, which requires the cooperation of both the government and the region at hand.

THE SPATIAL DIMENSION

The first debate we encounter when examining the literature on the bottom-up alternative is that of space. There is a preconceived notion that regional, community, and local development differ from each other by the size of the region. I will demonstrate that it is not one of size, but rather that these various types of development are differentiated by the process and the size of the region has little or no importance in emphasizing the differences between the various models of development. What constitutes a region, a community and/or a locality? These definitions are a prerequisite to defining both LEC and CED. This is also noted by Coffey and Polèse:

“In the absence of a distinct concept of ‘locality’ (or in our case community) the difference between regional development and local development is largely reduced to a difference of degree, according to the size of area in question and does not necessarily reflect a difference in the nature of the process... The adjective ‘local’, when added to the term ‘development’ lends itself to a second interpretation whose connotation is not purely spatial and which presents a different perspective on the very nature of the process of development.”¹⁹

This quote illustrates the importance of defining the term locality. It is by defining these two adjectives that we are able to determine where the bottom-up alternative can be applied. The term local is more than physical boundaries; it also denotes internal factors such as endogenous capacity for development. The same problem is noted by Stewart Perry in regards to the term community. Community can be defined as meaning one of three things. The first would be where community is defined as meaning a group of people linked together by a common cultural and/or ethnic bond. An example of this would be when people refer to black, francophone, Italian communities, etc. The individuals who make up these communities can be in a set geographical area or scattered throughout a city, province, or state. The distinction is that the geographical bond amongst these members is reinforced by the bond they share through their common identities. A second commonly used definition is when community means a specific geographical area which is defined by predetermined physical boundaries. A third sense which is at times used is that community means that its members are defined as being those individuals who are of a similar social and/or economic position such as single mothers, those who are physically challenged, etc.

¹⁹ Coffey, William J. and Mario Polèse. “Local Development: Conceptual Bases and Policy Implications” in Regional Studies, Vol. 19, No. 2. p.2.

What this section has attempted to illustrate is the debate surrounding the spatial element. There is the perception that the size of an area whether it be deemed a region, a community, and/or locality which in turn defines the type of development which takes place. However, the argument I put forth is that size does not define the type of development but rather it is the process which differentiates it. The term used to define the area can be region, community, and/or locality. It is important to note, however, that the area which is to be developed regardless of size must have certain elements which differentiates it from others. These can be physical boundaries and/or common sentiments shared amongst those living in the area. More often than not, these are present regardless of size or they can be reinforced by predetermined physical boundaries.²⁰ That is to say that those living in an area share a common economy and can all be affected positively or adversely by changes which take place in the area. The terms LED and CED can at times be misleading if used as a means of defining the bottom-up alternative because these give the impression that this model of development can only be utilized in small communities and/or localities. It defines the alternative by the size of the area in which the development takes place as opposed to emphasizing the process. Development from below can take place in metropolitan areas as well as small isolated communities if we use the later definition.

INSTITUTION-BUILDING

²⁰ Hamel, P. "Le développement local en milieu urbain : Un modèle controversé" dans Revue Internationale D'Action Communautaire. 22/62, Automne, 1989.

Institution-building is often heralded as being one of the most essential component of the bottom-up alternative. It is the creation and promotion of local institutions. By doing so, communities are able to keep control of the region within the region. However, it is also the creation of regional development corporations which rely on human capital. Human capital is the ensemble of a region's human resources as opposed to physical capital. Two of the most often quoted authors, to my knowledge, appear to William J. Coffey and Mario Polèse. Their definition of LED resides in this process, it is central to their definition. Generated by local ideas CDCs are an example of local institution building. Their theoretical works on the subject matter have set the debate or model of local economic development. They attempt to define an acceptable model of development to be used by localities. The first premise of their thesis is that in order to ensure successful development endeavors a region must have an entrepreneurial spirit and be willing to share its skill, knowledge and know-how with others in the region. Through these traits entrepreneurs are able to create their own comparative advantage. Comparative advantages are not the sole result of the absence or presence of physical resources but rather it is dependent on the 'accumulated knowledge embodied in its' population'. Development is viewed as a dynamic process which requires institution-building.. According to Coffey and Polèse local economic development (LEC) endeavors must go through four phases of institution-building which can be basically summed up as being the establishment and growth of firms. In a second article by Coffey and Polèse, they outline the role and policy options of the state. These three policy options are: funding

aimed at small businesses, information for the population at large and animation for community groups. Local development is viewed as a third type of regional development which should complement rather than antagonize existing development policies and programs. "Thus, one might speak of local development as a third option of regional development, one aimed at local populations rather than large firms and governments, and one emphasizing human capital rather than physical capital and infrastructure."²¹ Local development is a form of regional development which is largely dependent on endogenous factors, however, it is a process in which the government is also involved. Albeit, on a smaller scale than in development from above.²²

Stewart E. Perry is another renown academic in this field. We will briefly overview his definition in Regional Development From the Bottom-up. He defines community economic development as a 'revitalization strategy' which is both initiated and implemented by its' community members. CED is the creation of institutions such as CDCs, local ideas and efforts. In the past, external actors have often had a negative impact on the community at hand. CDCs must not only concern themselves with 'mere business development but also with the social infrastructure of the region. The key ingredient found in a successful development endeavor is not capital per se but rather the ensemble of the community's human resources.

²¹ William J. Coffey and Mario Polèse. "Local Development: Conceptual Bases and Policy Implications" in Regional Studies, Vol. 19, No. 2, p.89.

²² The first article mentioned is: William J. Coffey and Mario Polèse. "The concept of local development: A stages Model of Endogenous Regional Growth" in Papers of the Regional Science Association, Vol. 55, 1984., and the second is "Local Development: Conceptual Bases and Policy Implications" in Regional Studies, Vol.19, No.2.

In essence, institution building is the ensemble of a region's resources put to use for the creation and/or expansion of institutions such as development organizations and/or the creation of local firms. However, it can also be said to mean the attraction of foreign firms. The main difference being that the attraction of these firms is not the primary focus but an added protection to diversify the region's economy. The aim of institution-building is to keep the fate of the region in the region's hand, hence leaving it less susceptible to negative outside influences.

THE ROLE OF GOVERNMENT

Development strategies of the past, as illustrated in the first chapter, were both conceptualized and implemented by the upper echelons of government. The principal actors were more often than not government officials. This role has been challenged by the bottom-up alternative and reinforced by the shift to decentralization. It is no longer seen as beneficial for the state to be the primary initiator of development initiatives. The state is now taking a back seat in terms of active involvement in the implementation process. This is increasingly being reflected in recent government programs, at the community level and also in regional development literature.

The shift in government programs is illustrated by Elizabeth Beales who notes that the Atlantic Canada Opportunities Agencies (ACOA) represents a new development initiative by the federal government which places the burden on the regions. Local decisions are now recognized by the federal government as a crucial element in successful

development endeavors. The problem with this, she argues, is that by leaving the crux of the decision-making process in the hands of local actors, the actors tend to become introverted and fail to see the larger picture at hand thus causing a greater problem of inserting themselves in the world economy. David R. Miller and Francois Lamontagne also address this problem in their article entitled: "The vulnerability checklist: A tool for Community Self-Assessment". They argue that communities in conjunction with the three levels of government must work together in order to ensure the long term prosperity of the region. The survival of disadvantaged regions requires not a bottom-up or a development from the top but rather the mean of these two where both development models are merged and the positive aspects of both are drawn together²³ in what has been labeled a partnership amongst the various levels of government and the communities at hand (le partenariat).

Greg Allain also notes that the government has a greater role to play in the development from below paradigm. The bottom-up alternative (micro-initiatives) is glorified as being the solution to end all economic ills. This approach like the development from above has limitations. Rather what is needed is the synthesization of these two paradigms. Extremist solutions often fail and it is perhaps a mean of two extremes which can prove to be most effective. In the case of regional development, theories are often rejected too quickly and replaced by theories which have not been fully developed:

Il y a de fortes chances pour que la vérité se situe entre ces deux poles et qu'un redressement économiques de la périphérie se réalisera à travers la combinaison d'apports externes et internes, de ressources étatiques et privés, d'acteurs sociaux

²³ These two articles can be found in Regional Development From the Bottom-up edited by Stewart E. Perry (previously footnoted).

provenant de différents milieux, dotés de compétences diverses et occupant des positions variées sur l'échiquier social."²⁴

Industrial commissions demonstrate the importance of government support and local input. By synthesizing the various approaches and the inclusion of both state and local actors, we will be able to ensure a democratic process.

These arguments are further reinforced if we examine the success Moncton, NB has had by synthesizing these two approaches. A regions' economic development agencies plays a key role in ensuring prosperity and effective regional development. It is a prime example of how coordination between federal, provincial, and municipal government along with community members can alter the fate of a region. Prior to these various coordinated efforts; the Moncton area was economically dependent on one economic sector. The greater Moncton area has been able to diversify the economic base and is now considered one of the most prosperous areas in New Brunswick. However, it is the local development efforts which enabled such prosperity.²⁵

The above-mentioned theoreticians consider partnership to be inherent in the development from below paradigm. CED and LED initiatives both involve a partnership with the various levels of government. What differentiates it is that the communities are the implementors of the programs which take place at the community level. However, CED and LED are viewed as being the promotion of entrepreneurship, which we will see

²⁴ Greg Allain. "Le financement du développement régional : l'exemple des commission industrielles régionales du Nouveau-Brunswick" in EGALITE, Revue Acadienne D'Analyse Politique. No.34, Automne 1993, p.117.

²⁵ For an expansion on the economic success of Moncton and the role local development efforts played in this success please see: Benjamin Higgins and Andrew Breau. "Entrepreneurship and Economic Development: The Case of Moncton" in Les Provinces Maritimes un regard vers l'avenir edited by Donald J. Savoie and Ralph Winter. (Moncton: Institut Canadien de Recherche sur le Développement Regional, 1993)p.157-188.

in the following section, and a partnership between the community and the various levels of government.

The bottom-up alternative does not exclude the state, but rather it limits its role as the principal actor, the state is still an actor, however, its role is currently being redefined. It is now viewed as an actor among many.

“La prise de conscience des limites de l’action étatique qui caractérise l’époque actuelle amène les dirigeants politique à penser en termes de concertation entre acteurs significatifs : sociétés, associations, groupes de pression ou individus. Enfin, les gouvernements se perçoivent de plus en plus comme des acteurs parmi d’autres, ce qui a pour effet de nécessiter un accroissement des mécanismes de coordination souples et flexibles.”²¹

Juan-Luis Klein also comments on the governments disengagement of the state in various policy areas. Partnership entails the association between both the public and private sector. In this type of situation the government is neither the problem nor the solution but rather it is a partner. “Ainsi vu, le partenariat local présente deux dimensions complémentaires : d’une part celle qui concerne l’investissement, la réalisation de projets et, donc, l’entrepreneuriat.” Greg MacLeod also argues that community economic development must evolve from the bottom but implemented in a partnership.²²

Edward J. Blakely argues in the “Meaning of local economic development” that the current economy is structured so that we can no longer solely depend on state measures and programs because the national interest of multinational

²¹ Caroline Andrew, Francois Houle and J. Yvon Thériault. “La définition du local dans les nouvelles stratégies de développement” in Canadian Journal of Regional Science. Vol. XV:3, Autumn, 1992, p.462.

²² Greg MacLeod. “Le développement communautaire; quelques expérience canadiennes” in L’Autre Economie : Une Economie Alternative. Ed. Benoit Levesque, André Joyal and Omer Chouinard. (Québec: Presses de l’Université de Québec, 1989)p.256.

companies are rarely the same as those of communities and can often have a negative impact on communities. The theoretical roots of local economic development theories, according to Blakely, can be traced to development theories of the past which emphasize the importance of a multidisciplinary approach. The difference with LEC strategies is that it embarks on an endogenous model of development which is process oriented and represents a fundamental shift in the principal actors.

Pierre Hamel argues that economic restructuring and social inequalities have always been present. It is not the actual problems which have changed but rather the coping mechanisms. Local intervention emerged gradually after the failure of various other means. This gradual emergence as opposed to spontaneously emerging has somewhat legitimized local economic development. Its' success, however, greatly depends on the cooperation between the localities and the various levels of government. He notes that although there are various definitions of local economic development, a common vision of what it entails was discerned at the International Congress on local development:

“Pour la majorité des participants, le développement n’était donc pas appréhendé comme un facteur externe dont l’issue peut s’expliquer par des forces qui “échappent aux milieux locaux. Il fait plutôt appel à l’identité et à la détermination des acteurs locaux ainsi qu’à leur capacité de maîtriser ses contours. Conséquemment, le développement est décrit comme un processus multidimensionnel complexe qui ne s’arrête pas à la seule dimension économique mais englobe aussi bien les aspects sociaux, politiques et culturels, tout aussi indispensable que la dimension économique pour créer les réseaux nécessaires à la synergie locale et soutenir des projets de relance ou de reconversion.”²⁸

²⁸ P. Hamel. “Le développement local en milieu urbain : un modèle controversé” in Revue Internationale D’action Communautaire 22/62 Automne 1989, p.129.

Local development reunites various actors and projects. It differs from past models not only in the diversity of the projects but also in the manner in which these are implemented. But more importantly, it is not the sole effort of the localities, it is also a partnership with the various levels of government.

THE ROLE OF THE PRIVATE SECTOR

In the past, there has always been a divisive line between public and private sector endeavors. The public/private sector dichotomy is often reinforced by the stereotypical image that these are separate spheres working against one another or separately. The late 1980s saw an increase in joint endeavors between these two sectors. The private sector often plays an important role in any given community and particularly in that given economy. Due to this influential role, it is not surprising that during the last two decades there has been an increase in private sector involvement in economic development endeavors.

In another text by Perry, he argues that although business development is not the key ingredient; it is an important component. If we choose to define CED as a process, business development should be considered as a sub-process capable of 'creating and strengthening community-based institutions'. This process, must be continually reevaluated and reshaped to ensure that it changes with the changing economic and social realities.²³

²³ Stewart E. Perry. Communities on the Way. (New York: State University of New York Press, 1987) p.111.

Another author who remarks the importance of private sector involvement in community development initiatives is Stelios Loizides. He notes that the economically backwards communities in the past have often relied heavily on government programs to stimulate the community's economy. This is increasingly becoming less feasible due to the rising debt/deficit of both provincial and federal governments and also because of the governments' awareness that local commitment to these programs is a requisite. Increasingly, government programs are reflecting this harsh reality. The private sector has an important role to play in these new models of development. The key findings of his research indicate that where the private sector has become involved in CED success has ensued. CED initiatives can greatly benefit private sector involvement due to the latter's expertise and resources in the regions economy. CED are often admired by the private sector due to their ability to combine social objectives with economic ones. In their attempt to develop new business opportunities they have been able to generate both wealth and employment opportunities thereby reducing both social assistance and welfare dependency. Stelios defines CED as:

"CED is a strategy by which local development organizations based in economically depressed areas mobilize local resources for a multifaceted development campaign. The strategy arises from the recognition that local efforts are critical and that governments or outside agencies cannot promote full local renewal. One of the potential challenges faced by CED organizations is how to attract private sector resources without losing local control and autonomy."³⁰

The first step in effective CED is the identification of socio-economic problems. The second includes the involvement of CDCs, the private and public sector. For Loizides,

³⁰ Stelios Loizides. The Role of the Private Sector in Community Economic Development. (Ottawa: The Conference Board of Canada, Report 126-94, 1994)p.6.

CED is a viable alternative in which both the community at hand and the private sector can benefit.

Another author who defines local economic development as being a process which is rooted in the private sector is R. Scott Fosler. However, he simultaneously argues that the local governments play no greater role than in the action they take or do not take in certain policy areas which affect the development process. In the past, the sole purpose of LEC was to attract firms through various incentives and tax breaks. He remarks that there are four challenges in LEC: the rethinking of economic developments' goals and assumptions; the strengthening of economic foundations; the adaptation of shifting geographical realities; and lastly the creation of new organizational and institutional approaches to local development goals. In other words, old models of development must be completely overhauled and redesigned to meet the changing needs of the global economy. This view is contradictory to the argument placed by Coffey and Polèse that LEC should be viewed as complementary to existing programs and is in reality a third option of regional development. However, he continues by attempting to provide us a framework for LEC. This includes the establishment of four important roles for local leaders. The first role is that of an economic strategist. This person must be capable of diagnosing economic ills and know what and how various factors affect the areas' economy. The second is that of leadership. He/she must inform the community member of the process and generate community support and interest in the projects. The third is that of a representative or ambassador to ensure that policies from other regions do not inadvertently affect the region in question. The fourth is that of manager of key

government functions. These would include both traditional economic development functions as well as non-traditional ones such as education, human resource programs, housing, environment, etc.³¹

Not all authors take a positive view of the involvement of the private sector, Fernand Martin, in his article, "L'entrepreneurship et le développement local : Une évaluation" examines the validity of this alternative and private sector involvement. His article lists various reasons as to why this alternative is not viable. These efforts will play a limited role in modifying the economic fate of these regions because the majority of these cannot be self-sufficient. Essentially, his article is a direct rebuttal a Coffey and Polèse arguments. Martin lists ten major shortcomings of LEC. His first premise is that not every region is viable. To ensure economic success, a region needs certain resources, both physical and human, and not all regions possess these. Regions can not develop comparative advantages based on human capital because it is a question of quality rather than mobility. Thirdly, the entrepreneur is an entity which must be replaced by innovation. The creation and improvement of small and medium sized will not necessarily favor economically backwards areas because economic backwardness is a result of market failures which will occur in a mixed economy. The necessary corrections must be made to the economic system at national or global level. The size of an enterprise is not important because it is the merit of the project which determines its' viability. So by solely focusing on small and medium enterprises we are overlooking the most important aspect; that of viability. The sixth reason he cites is that even if emphasis is not placed on smaller enterprises does not imply a preference to larger enterprises nor that they are more

³¹ F. Scott Fosler, ed. Local Economic Development Strategies for a Changing Economy.

effective than the latter. The seventh being that the argument against individuals outside the region taking up the employment opportunities and the social costs of these are overestimated. The eighth reason is that local control, as an objective, is irreconcilable with interregional effectiveness. It serves the local elite rather than to redistribute national or local revenue. However, the larger the region reduces the chances of this occurrence. LEC is more likely to be successful if the region at hand is large and if we are dealing with a smaller region they must work in conjunction with other regions. Economic success requires in the first place an increase in political power which can be in turn used to gain economic power. The means to attain power requires to link up with other regions and/or metropolitan areas.

MARKETING WITHIN AND OUTSIDE THE COMMUNITY

An element which has always been present within the various models of development that have evolved over the years is marketing. However, in the past such marketing efforts were often referred to as 'smokestack chasing'. The sole purpose of these efforts being to attract outside firms to relocate to a given region. This element is still present and I believe will always be present regardless of the development model used. However, there is a new element or strategy found within the bottom-up alternative and that is marketing within the region. The CDCs promote the region to the members and also to those outside the region. The aim of the first is to create a positive image of the community to its members in order to nurture both a sense of belonging and a sense of

pride while the second is also about image-building, however the aim is different. The purpose is to make outsiders see the positive aspects of the given region to either foster investment or promote tourism of the region. In other words, to increase the cash flow of the region. Improve the regions' economy in order to empower its' citizens and make it realistically competitive on a global scale and capable of meeting the current and upcoming financial obstacles.

Development from below requires the participation of the community or else it can not be labeled as such. In order to involve the community in development, the community must first be aware of development, its objective, and possible repercussions. Secondly, a common goal must be forged to inspire community action. Marketing has the ability to both infuriate and inspire people. Properly used, it can be an effective tool used to achieve community participation. Convincing people to participate is a necessary part of a bottoms-up strategy and the theme of marketing is a reflection of the importance of getting the participation of the region.

The reviewed literature tends to indicate that the bottom-up alternative is an endogenous model of development reflected in both community and local economic development that it is both reactive and proactive. It is reactionary in the sense that it emerged as a result of economic and social conditions and also because of discontent with existing programs. So it can be said that its' emergence was/is reactionary, however, those involved in CED and LED initiatives have chosen to be proactive in order to end this trend. A strategy which is only reactionary will fail because these will always be a step behind. Proactive implies to initiate change rather than letting the circumstances

dictate your reaction. The government has also come to this conclusion and attempts to encourage proactiveness. This is increasingly being reflected by the new government programs as noted by Beale earlier in the text. However, it is simultaneously proactive because it not only reacting but it also takes the initiative in the conceptualization and implementation of various programs at the community level. Its' success is largely dependent on this co-dependent relationship between being reactionary and proactive.

Based on the themes that have been drawn out from the literature, it is possible to identify three essential characteristics that can be used to structure the analysis of the case study; the definition of community, the role of the state and finally, a multi-sectoral approach. The first characteristic is that the community, locality, and/or region at hand is the primary caretaker of the development endeavors. The second point is that the state now plays a more limited role and the third that CED and LED are processes which require multi-sectoral approach. Development practitioners, theoreticians, and government officials have realized that development is not solely related to economic growth. It is also about improving the quality of life for the people living in the region. This is the central reason as to why development is not only economic but social as well.

The state is no longer the principal actor in development endeavors. It has realized that success is largely dependent on the active involvement of community members. This is increasingly being reflected in government programs such as ACOA. Even though decisions are no longer transcending from the top or that development is decentralized; government still has a role to play in CED and LED. There are a variety of ways in which

government programs can benefit CED and LED initiatives such as providing a portion of the required funds, however, firstly, as Perry, Lewis, and Fourcade pointed out, they must ensure that these are properly disbursed through effective channels such as CDCs.

The central theme of the development from below paradigm is that development takes place at the community level. That is to say that the community is the primary caretaker of development initiatives. It is simultaneously an initiator and an implementor. Perhaps to be best summed up as meaning that the community is actively involved in defining the needs of the regions or in other words the community defines the vision of where it wants to go. The community members are proactive in defining their needs and/or vision by taking into consideration both its' strengths and weaknesses and subsequently attempting to overcome the weakness and building upon its strengths. A region's strengths is dependent on the resources (human and physical) found within that region. By placing the emphasis and exploiting the various resources within the community, the community is able to reduce the need to import outside resources (this includes firms, human capital, and products) and service the needs of the community and to an extent export some of their products and services. One of the main tools in exploiting one's resources is entrepreneurship, which encourages entrepreneurs to create their own comparative advantage. The majority of communities using the bottom-up alternative as a development model channel their development philosophies through local and/or regional development organizations. The CRDC is such an organization. It promotes entrepreneurship and encourages the region to develop to its fullest potential while receiving guidance from the community.

The various levels of government were in the past the primary caretakers of development endeavors. However, in the last three decades with the emergence of the bottom-up alternative, non-governmental organizations, and agencies such as the CRDC, are increasingly playing an active role in this process. The government, in some cases, is now taking a back seat and recognize the important role community development has to play. The CRDC is recognized by both the federal and provincial government as one of the most effective tools in fostering economic growth. "The government of New Brunswick supports and will promote REDCs (regional economic development commissions) as the main vehicle to foster local economic growth in the various regions of the province".³² As this quote illustrates the activities and role these commissions play in the development process are both recognized and encouraged. This, however, does not mean that the federal and provincial governments are not involved or have no influence but rather that they are becoming facilitators and/or have a partnership role as opposed to that of a dictator and/or fund disburser. They are now an actor among many.

The third and final established element for an organization or development endeavor to be classified as a bottom-up initiative is the multi-sectoral aspect. Multi-sectoral in this sense means that development is no longer viewed from a purely economic perspective. The causes of economic problems are multiple and therefore its solutions must also take this into consideration and not attempt to resolve them by using one narrow perspective. More often than not the problems are relating to economic, social, and political realities. These can be as diverse as the absence of natural resources to the

³² New Brunswick. The Board Members' Handbook for Regional Economic Development Commissions in New Brunswick. (Fredericton: Department of Trade & Commerce, 1989) p.11.

lack of the proper transportation infrastructure, or lack of a qualified labour force. While engaging in development initiatives one must bear these realities in mind. The CRDC is not allowed to intervene in social matters and its financing is conditional on this stipulation. The provincial government feels that these are best left in the hands of the applicable government departments and/or agencies. However, multi-sectoral does not imply that social matters must be tackled by development organizations but rather that they must engage in various types of activities and are not solely guided by one narrow dogma. The bottom-up alternative encompasses various models of development within its fold with the primary emphasis being placed on the first two established characteristics, community direction and reduced state intervention. However, the majority of CDOs mandate is to empower the community through various means. If we classify the CRDC according to those established by Perry, Lewis and Fontan, the CRDC uses three of the four functions. These are equity investment, business credit with related technical assistance, and planning, research, advisory and advocacy services. The essential component being the recognition of the multi-faceted requirements of development endeavors, one organization is incapable of meeting all the needs. They will at times have to call on the help of other organizations or arrange some type of network.

In conclusion, even though there is no one set definition of community economic development or on a larger scale the bottom-up alternative, it is possible to identify three essential characteristics that can be used to evaluate whether or not the case study illustrates a bottom-up approach. The first criteria is to see what definition of the community is being used and to what extent because it is the community which is the

primary caretaker of the development endeavors The second category refers to the reduced role of the state and the last point is the multi-sectoral aspect of CED initiatives.

CHAPTER TWO

THE CRDC: ORIGINS AND EVOLUTION

Regional development commissions have existed in New Brunswick since the early 1960s. The original mandate of these organizations was primarily to promote industrial development and manage the regions' industrial parks. This was achieved by attracting foreign firms and/or creating institutions. Since their birth, their mandate has been extended to include the various sectors of the economy. The role these now play in the development process is often both crucial and profitable not in terms of revenues generated but economies being revitalized. Within New Brunswick, there are currently twelve commissions each situated in the heartland of the region it is intended to serve and promote.³³ These are funded by the provincial, federal and municipal governments but are theoretically independently operated.³⁴

Every region differs greatly from one another in terms of natural, human, and physical resources. One regions' comparative advantage might be a disadvantage for another. It is for this reason that every commission is essentially tailor-made to respond to

³³ These are the Capital Region Development Commission Inc., Chaleur Regional Development Commission Inc., Grand Falls Region Development Commission Inc., Kent Economic Commission Inc., Northwest Industrial Commission Inc., Restigouche Industrial Commission Inc., Carleton Regional Development Commission Inc., Fundy Region Development Commission Inc., Greater Moncton Economic Commission Inc., Miramichi Region Development Corporation, Economic Expansion Commission of the Peninsula Inc., and the Southeast Economic Commission Inc.

³⁴ I say theoretically independent because they are responsible for their decisions and actions but there are certain guidelines which these must follow.

the needs of the localities and communities they represent. In light of this fact, our case study will focus on the Chaleur Regional Development Commission Inc.

I will begin by providing the reader with a definition and description of regional development commissions in the regional development process and how these have evolved since their inception in the early 1960s. Once this has been done, I will go on to describe the evolution of the Chaleur Regional Development Commission. The purpose of this chapter is to firstly define regional economic development commissions and document the structure and evolution of the CRDC. This description will then serve to facilitate the analysis of the CRDC in the following chapter.

REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS

A regional economic development commission is a regionally-based organization whose role is to foster the economic growth of a given region. The philosophy which guides these is that development from below has a far greater chance of effecting sustainable economic change than development from above. By giving more control to the regions over their destinies, communities will take a more active role in the economic process surrounding them and will be able to take a proactive stance to future economic upheavals. The province of New Brunswick's definition of REDC incorporates three types of development which REDCs engage in: local level development, economic

development and industrial development activities.³⁵ Essentially, commissions orchestrate locally-based initiatives.

Regional development commissions can best be described as economic tools used to stimulate the economic growth of a given territory. They were created to promote and exploit the region's resources in order to stimulate growth. They offer various services to those either planning to open up a business and/or those expanding existing ones. In other words, the promotion of entrepreneurship is at the core of its' mandate. These provide essential services such as helping individuals define their needs, advice, suggestions from specialists, information on the various programs available to them, regional statistics etc. Their second major role is to promote the area to potential investors found both within and outside the region.³⁶ However, as mentioned earlier, these did not always have such a vast mandate. Their role has evolved over the years.

"In addition, it appears that some commissions have extended their mandate beyond strict economic development activities and have become involved to some extent in community and social issues. While this involvement is very often clearly justified, it contravenes the 1981 government policy. For example, in regions where there is a lack of strong interest groups or associations, REDC general managers end up spending a great deal of time on non-strictly economic issues, like the creation of a regional hospital. There is no consensus to date as to whether involvement in such matters belongs after all to the commissions' overall mandate. However, it is sure that as a consequence of such involvement, commissions' efforts are not devoted strictly to economic issues."³⁷

Origins and Evolution

³⁵ New Brunswick. The Board Members' Handbook for Regional Economic Development Commissions in New Brunswick. (Fredericton: Department of Trade & Commerce. 1989) p.3.

³⁶ The REDC does not engage in seek and find which is the province role but rather they get involved once an interest in New Brunswick has been identified.

³⁷ Price Waterhouse. Department of Commerce and Technology Evaluation of the Regional Economic Development Commissions - Proposal. (Fredericton: May 1987) p.2.

The municipalities of Atholville, Campbelton, Dalhousie, Charlo and Eel River in 1969 joined forces to create the North Shore Industrial Development Region to create the first regional economic development commission in New Brunswick. This commission was incorporated in July of 1971 and subsequently changed its name to the North Shore Industrial Commission and then to the Restigouche Development Corporation in March, 1974. This commission was used as a pilot project in order to evaluate the impact that it was able to effect on the economic process and to evaluate the viability of such locally based attempts at development in other regions of the province. The results proved to be quite successful and in 1970:

“In 1970, the Department of Economic Growth, later to become the Department of Commerce and Development, and most recently the Department of Commerce and Technology submitted a program for community participation in industrial development. The program was designed to encourage local communities to cooperate with neighboring communities in assessing the competitive advantage of their region in order to attract viable industries to the area.”³⁸

Almost simultaneously the Northeast Agreement became under review and was revised to include ‘the concept of local regional development’. (Northeast RDA, 1972). Thereafter various other commissions were set up in the northeastern part of New Brunswick. The Bathurst Jacquet River Regional Industrial Commission now known as the Chaleur Regional Development Commission Inc. was created in September of 1973; the third incorporated commission in New Brunswick.

In February of 1975, Canada and the province of New Brunswick signed a sub-agreement “Industrial Development Subsidiary Agreement”. “Funds were allocated in the

³⁸New Brunswick. The Board Members’ Handbook for Regional Economic Development Commissions in New Brunswick. (Fredericton: Department of Trade & Commerce, 1989) p.7.

agreement for the establishment and operation of economic development corporations in all regions of the Province.”³⁹ With this new agreement six new commissions were formed and in 1982 the Carleton Regional Development Commission was created thus ensuring that every region in New Brunswick was represented by a commission.

A study on the effectiveness of regional development commissions outlined what it perceived to be the strengths and weaknesses of New Brunswick REDCs. This list included: the perceived neglect of areas surrounding the larger centers; discontent by some municipalities with the results obtained by regional commissions; financial difficulties; however, it is perhaps the lack of communication between municipalities and commissions which causes the majority of problems such as dissatisfaction, and misunderstandings with the commissions performance and objectives. During my interviews lack of communication and funding were the most often mentioned problems facing regional economic development commissions.

Even though regional development commissions aid the development process and a region benefits from their presence and involvement in this process, they still face problems. One of the most important problems faced is that with limited budgets they must attempt to service the needs of various municipalities. Each municipality has their own perception as to what constitutes economic development and how to achieve prosperity and/or sustainability. This has led to the downfall of various commissions outside of New Brunswick.

“Examples are numerous in Quebec where larger municipalities (Quebec City for example) have left the regional organization and created their own commission after being disappointed with the service they were receiving from the regional organization. Conversely some regional organizations are completely dwarfed

³⁹ Ibid.p.8.

by one municipality within its territories.”⁴⁰

Even though this has not occurred within New Brunswick;⁴¹ there are some municipalities which have withdrawn their membership and financing from the regions commission due to feelings that the commission was not representing their community. Such an example can be drawn from the CRDC where in Pointe-Verte withdrew its’ membership in 1986 and Belledune also in 1985 with others also threatening to pull out.⁴² However, both have opted to once again contribute to the operation of the CRDC. The problems created by not contributing to the operation of the CRDC is that regardless of whether or not that community is financing the commission. The commission must continue to look out for the best interest of the community. An example of this would be the Port of Belledune which has been a preoccupation of the CRDC since inception. Various efforts and funds have been placed into the expansion of this even when the village of Belledune was not a member. So therefore, municipalities inherit the benefits regardless of their financial contribution; whether in terms of direct benefits or trickle down benefits. Direct benefits for one community translates into indirect or trickle down benefits to the surrounding communities. Perhaps these problems can be attributed to the use of a local/community economic development model on a larger scale rather than a problem of communication we have an organization trying to represent, manage, and promote many municipalities with different interests and philosophies. However, in rebuttal it can also be said that the areas are quite homogenous in terms of economic characteristics and do not consist of a

⁴⁰ Price Waterhouse., p.3.

⁴¹ Perhaps attributable to the fact that the Government of New Brunswick will not support and/or finance one municipality commissions.

⁴² This information was obtained from the Chaleur Industrial Commission. Annual Report 1985 and Annual Report 1986. Bathurst.

vast geographical area and that by using a regional approach we tend to limit the occurrence of an area isolating itself from other economic centers and global markets.

The commissions, according to Price Waterhouse analysis of regional development commissions have tended to follow the greater trends in regional development policy. In the 1950s and 60s, regional development theories and programs believed that the key to ending regional discrepancies was to attract foreign firms into certain key areas (growth pole theory). The last 1960s, 70s and early 80s saw an increase in nationalization and increase in governmental assistance to the economic process (Keyneisein economics). Whereas the late 1980s and 90s witnessed an inverse in government intervention. This was accompanied with a rise of entrepreneurship, new technologies, brain power as opposed to labor, and a specialization of markets (neo-conservative influence on government policies). Commissions have tended to follow these trends due to their source of financing and the dominating influence of these philosophies at those respective times. There is also one other factor which must be considered when attempting to understand how interrelated government and commission philosophies have been; which is government programs. Commission employees spend the majority of their time helping individuals access government financial assistance and these financial assistance programs are based on philosophies which the government supports.

The study outlined the six major functions of REDCs:

- 1) They must ensure that the business community is properly informed and has access to information on financial and technical assistance.

- 2) They must act as both buffer and liaison between the government and the business community and interested parties.
- 3) Provide assistance in the 'establishment of an economic infrastructure and environment.'
- 4) Search and attract new foreign investment.
- 5) Promote entrepreneurship and small and medium sized business assistance programs.
- 6) Administrate publicly owned industrial lots.⁴³

The majority of these functions are part of the CRDCs mandate with the exception of numbers 4 and 6. They are not allowed to do seek and find foreign investment and until recently they did administer publicly owned industrial lots and relinquished this role to the municipalities. Throughout their existence the government of New Brunswick has recognized that REDCs are the key ingredients to fostering economic regional growth and hence support the majority of REDCs initiatives. It believes that REDCs:

"play an integral role in providing advisory services to all kinds of industries, in the promotion of small industry financial assistance program, the development of local strategies and priorities and in generally encouraging a climate conducive to investment and a job creation in each region."⁴⁴

This has translated into financial support and autonomy for REDCs.

THE CHALEUR REGIONAL DEVELOPMENT COMMISSION

⁴³ For further elaboration on these six roles please see the study conducted by Price Waterhouse previously referenced.

⁴⁴ New Brunswick. Meeting the Challenges of the Eighties: An Economic Development Strategy for New Brunswick. Date Unknown , p.14

The Chaleur Regional Development Commission inc. was created in September of 1973 under the name of the Bathurst-Jacquet River Regional Development Industrial Commission Inc. Its name was subsequently changed on March 27, 1974 to that of the Chaleur Regional Industrial Commission and was changed once again to its current name on January 27, 1989. The purpose of the CRDC was to "...encourage the promotion, expansion and diversification of industrial activity"⁴⁵ and to provide the region with a regional approach to its economic problems. Its' birth is attributable to the revised FRED agreement of 1972 which, as mentioned earlier, incorporated the notion of local regional development at this time. The members of the commission include: the City of Bathurst, the Town of Beresford, the Villages of Nigadoo, Petit-Rocher, Pointe-Verte, Belledune, and Jacquet River.

SPATIAL DIMENSION

The territory in which the CRDC attempts to promote and develop is the Chaleur Region. There is no problem defining as there are all ready pre-existing boundaries. "The communities lying between the point where the eastern boundary of the Parish of Colborne, in the county of Restigouche, meets the Bay of Chaleur; thence in a southerly direction to the point where the Abusintac River intersects Highway No. 8; thence in a northerly direction to where the western limits of the Village of Grande-Anse, in the County of Gloucester, meets with the Bay of Chaleur; thence following the Bay of Chaleur

⁴⁵ Chaleur Regional Development Commission. Annual Report 1974-75. p.

to the place of beginning.”⁴⁶ This includes the following municipalities: City of Bathurst, Town of Beresford, Village of Nigadoo, Village of Petit-Rocher, Village of Pointe-Verte, Village of Belledune, Village of Jacquet River. Each of these municipalities are members of the Chaleur region. This is obviously a larger region than what is usually intended by the term community or locality. However, as I have all ready established in the previous chapter the bottom-up alternative differs from others in its process rather than on the size of the region.

The CRDCs Structure

The majority of organizations and all states are guided by a set of fundamental principles which are embodied either by a constitution or a set of by-laws. These provide the founding structure of how the applicable body is governed. The Chaleur Regional Development Commission Inc. is no exception. The first set of by-laws were adopted in 1973. Since this time, there have been various amendments to the original by-laws, however, this section will only describe the updated set of by-laws as they pertain to the structure of the CRDC.

The CRDC is managed and governed by its board of directors which includes six executive members and 13 directors. “The Commissions shall be managed by a board of directors encompassing a balance of municipal and business representatives and a representative of the Department of Commerce and Technology”. Provincial funding is conditional on this policy.⁴⁷ It is the responsibility of the board to provide the staff with

⁴⁶ Chaleur Regional Development Commission. By-Laws p.2.

⁴⁷ New Brunswick. The Board Members' Handbook for Regional Economic Development Commission in New Brunswick. (Fredericton: Department of Trade & Commerce, 1989) p.11.

the objectives and principles of the CRDC. This permits local entrepreneurs to become involved in the region's development process.

Private sector involvement is most evident through the various representatives involved on the Board. Selected members of the private sector hold leadership positions on the board of directors which governs the CRDC. The Board Members elect the Executive which comprises of the President, vice-president, Treasurer, and Past President which are elected by Board Members who in turn directs the Board. The elected Board Members are entrepreneurs drawn from the various sectors of the Chaleur economy along with representatives from the municipalities, and community directors. This is done so that all sectors are represented and that none is favored. Currently, there is a representative for each of the following sectors: tourism, processing, wood products, distribution, education, small business manufacturing, mining, professional services, retail. There is also a representative from the City of Bathurst, the Villages of Point-Verte, Beresford, Petit-Rocher, and Belledune and there are as well four Community Directors.

The input of community members, especially potential and existing entrepreneurs, is sought out by the Commission. This input is used as a means of ensuring that it is the community which dictates its mandate. The CRDC attempts to gain input from the community in terms of the direction it will take. The most evident of these attempts is the Strategic Planning Sessions. The purpose of these is to provide direction for the CRDC. The last of these sessions was held in November of 1996. These sessions regroup various entrepreneurs from the region who represent the economic sectors of the economy. An invitation is sent to the various stakeholders in the community. The results of the session

translates into the CRDC's priorities for the following year. In the past, priorities were established at the commissions annual meeting, however, the commission now utilizes the annual planning sessions to determine its direction. The object of these sessions is to review and analyze the activities and priorities of the CRDC to improve its efficiency. More importantly, it asks itself where the region is now and where does it want to be and how will it get there. The participants included 'stakeholders and representatives of various groups and organizations of the region.' It is through such means that the board is able to provide the staff with guidance. Firstly, by identifying the needs of the region and identifying the most efficient manner to fulfilling these needs. This is then reflected in the CRDC mission and objectives which are relayed to staff members who in turn use these principles and philosophies for guidance in the daily decisions and operation of the CRDC.

The strategic planning sessions are a worthwhile endeavor for numerous reasons: input from the key community leaders, collective decisions, and it is an opportunity for the region to decide where it wants to go. There are, however, problems associated with these sessions. A prime example would be that at times the direction given is not always the most effective development strategy or that the decisions taken may force the staff to undertake major projects which takes away from their day to day tasks which are all essential to the proper workings of the commission. There are a variety of factors which could be the cause of such drawbacks. One could be that it is always easier to establish projects for others when you are not responsible for carrying it out or providing the funding. Another possible explanation could be that those involved do not all understand

the role and mandate of the commission and are more interested in seeing the benefits that it may bring them. The various representatives are well informed individuals in their respective fields however, this does not mean that all understand the sensitivities involving economic development.

The staff of the CRDC comprises of a general manager, an assistant general manager, an assistant general manager, an economic development officer, an administrative assistant, and a receptionist.⁴⁸ The general manager, who oversees the daily operations of the CRDC, reports to the Board of Directors monthly and the executive on a weekly basis, provides direction to the staff, and deals with clients. The administrative assistant deals with the administration of the CRDC such as documentation and the organization of meetings and special events, and acts as a liaison to the public. The economic development officers primary function is to help entrepreneurs (present and emerging). This is done by firstly helping individuals define their needs and secondly identifying what is required to achieve their goal. In the case of an emerging entrepreneur, he or she will formulate an idea and/or project and bring it to one of the economic development officers who will firstly discuss the importance and purpose of a business plan (is there a need for this in the Chaleur region?). Once the viability of the project is established the EDO attempts to help the client define his or her needs whether it be financial, physical, and/or human capital (what do you need?) and finally help the entrepreneur elaborate a business plan (how do you fulfill your needs?). The majority of the clients of the CRDC are in need of financial assistance. Approximately 90% of clients are in need of financial and/or administrative assistance.

⁴⁸ I am currently employed with the CRDC as an economic development officer.

The two development officers⁴⁹ of the CRDC spend approximately 90 per cent of their time with entrepreneurs, both existing and emerging, who need help with their business and/or marketing plan. This time is spent in either helping entrepreneurs who come to the commission for help and or through client visits. The two EDOs and the General Manager each have two to three client visits per week. They divide amongst themselves the area's businesses and visit their assigned business. The purpose of this visit is to find out about what these businesses do and attempt to identify opportunities for them, to discern their needs and concerns so as to better help them in the future, to inform them of the CRDCs activities and services but also to gain a better understanding of the Chaleur economy.

In order to help clients on this level the EDO must familiarize him/herself with the new funding programs and regulations encompassed within these and hence must also deal with the various levels of government. Working with government programs which were written at the upper echelons (provincial and/or federal) rather than at the community level and/or without community input can be quite frustrating at times. These are not always the most appropriate tools for a given economy as they are formulated externally in another given economic region. There is also the problem that some funds are discretionary and clients will come in expecting to receive financing in a given program because the same type of organization received funding for their project but only because

⁴⁹ Although there is only one development officer, the assistant general manager and the EDO perform the same functions on a day to day basis. The Assistant general manager handles the majority of existing clients (his and those transferred to him by Ronald Pitre when he left his employment with the CRDC) whereas the EDO handles all the new clients. Clients usually only deal with one agent from the beginning of the project until the end unless an officer leaves prior to the completion of the project in which case it is transferred to the other EDO.

political pressure was applied and the EDO must find a way to explain the situation and why it does not apply to him or her without disclosing any confidential information. However, there is also quite often another type of problem when dealing with government programs and clients that being a misinformation in regards to government programs. The majority of politicians promote government programs to boost popularity and show what is being done for small businesses via government programs. The popular retort by many clients when told that there is no government funding (loans) for their idea or project is often that of why is the government always saying that there is help for small and medium sized businesses. There is help for entrepreneurs, however, it is often for only certain sectors and only certain costs are eligible which are quite helpful for those who qualify.

EDOs must also be familiar with the regions economy; its strengths and weaknesses in order to direct clients in the proper direction. The proper understanding of a given economy will permit a more accurate prediction of a project's viability. There are still other factors which influence the success and/or failure of a given project but being properly prepared helps eliminate failure due to improper planification.

In terms of an EDOs authority. He/she does not have to report to management on a daily basis. He/she when one on one with the client does not have to go see someone from the administration and/or management to approve his/her decisions. So the decisions taken on a daily basis are the responsibility of the EDO. However, he or she must meet with the manager weekly and monthly with the administrative council and make monthly reports of how many clients were met, how many projects were approved and how many

projects are currently under way. Due to the confidentiality of client information, the specifics are never discussed with the Board.

The budget is structured for over a five year period which is in turn approved by the provincial government. This is submitted and approved by the provincial government. This, however, is not set in stone. The CRDC might discover that certain objectives were unrealistic and/or not as costly as expected. These funds can be in turn used for other projects.

1970s

As mentioned earlier, the CRDC was founded in the early 1970s. The Chaleur region at this time was plagued with various economic ills which translated into weakness for the Chaleur economy. There was a shortage of skilled labor, out-migration; labor force participation below provincial average; the region lacked skilled management and entrepreneurial spirit; transportation and infrastructure problems.⁵⁰ Hence, the commission's primary mission was to somehow eliminate these weaknesses by focusing on the exploitation of the region's resources. The problems which received the most attention were industrial activity and the infrastructure of the region. Every annual report mentions the project of Belledune and to a lesser extent the improvement of air transportation. In 1974-75 their objectives also included the revival of a fish-processing plant in Petit-Rocher and the identification of the areas of potential growth so that the commission could 'focus its promotion effort on the type of industry which has the greatest chance of being viable given the resource base'.⁵¹

⁵⁰ Chaleur Industrial Commission Inc. Annual Report 1973-74.

⁵¹ Chaleur Industrial Commission Inc. Annual Report 1974-75.

The objectives of the CRDC in the early 1970s were quite limited to that of industrial development. Economic growth, it was believed, resided in the exploitation of existing resources. Hence, the sectors relating to this type of economic activity were the focus of the CRDC such as the mining, pulp and paper industry etc. In 1976-77, the improvement of socio-economic conditions such as; the decrease of regional disparities; support of the business community; and the improvement of how the region is perceived are mentioned for the first time. The commission has previously focused much of its' attention on the 65 acres of industrial land, the regions' infrastructure, and industrial activity.

As the commission is about to enter the following decade in 1978-79. It is still primarily focusing on industrial development and the lack of a skilled labor force within the region that do not meet the needs of the type of industrial growth desired. There is a strong belief that training individuals in trades is more beneficial to the region than a university education. Lastly, they also identify the need for financial support and cooperation between the CRDC and the municipalities of the Chaleur region.

1980s:

In the 1980s there is somewhat of a shift in the commission's objectives and philosophies. There is more emphasis placed on promotion at the local and regional level. There are three types of publications for this type of promotion: information kits, promotional brochures, and annually updated documents containing regional statistics. The aim of these publications is to inform the local, regional and national public of the viability of doing business in the Chaleur region. However, there is also a reduction in

direct promotion such as advertisements which is replaced by national advertising and the three types of publications listed above.

The tenth year anniversary (1983) of the commission proved to be the most unsuccessful year since its inception. The board members and the population in general is depressed as well as the economy. This is also noticed in the 1983 annual report:

“In spite of sustained efforts by the commission over nearly a decade to stimulate the development of industry by opportunity identification studies and the promotion of government financial and technical assistance programs; a desirable diversification of our industrial base, both in terms of size of operations and product service, has not been achieved.”⁵²

However, the economic downturn of the early 1980s inspired a greater attempt by the CRDC in the mid-1980s to meet the economic challenges presented to them by the changing economy. This is reflected by the changing objectives and strategies but also by the increased number of studies effected by the CRDC.

Throughout the 1980s we also see an evolution and expansion of their mandate. They are no longer limiting themselves to industrial development. For example, in 1981 the commission is preoccupied with industrial development as opposed to economic development: “the development of enterprises in the industrial parks of the region remains the fundamental objective of this commission”.⁵³ The newest endeavor at this time period which reflects this philosophy is the proposal and creation of the Chaleur Industrial Mall, an industrial incubator, which was established to permit “local entrepreneurs to identify and test our new markets before committing themselves to large capital outlays for new facilities of their own.”⁵⁴ In 1983, the mall was operational for almost a year and its

⁵² Chaleur Industrial Commission. Annual Report 1983. Bathurst: 1983., p.5.

⁵³ Chaleur Industrial Commission. Annual Report 1981. Bathurst: 1981., p.1.

⁵⁴ Ibid. p.6.

performance failed to meet the forecasted expectations. The results to say the least were disappointing and lent to a feeling of despair witnessed in the CRDCs documentation. The CRDCs strategy was reoriented in 1982 after having commissioned Woods Gordon to study the current strategy. However, in the early 1980s the Chaleur region faced a serious economic depression along with the rest of the country. There were large amounts of layoffs, strikes, closures, and the inability to fill the industrial mall and the morale of entrepreneurs and citizens of the Chaleur region was low. However, by 1985 there is an upturn in the Chaleur economy and the morale of the region is subsequently boosted or rejuvenated. The industrial mall is fully occupied with the majority of tenants no longer incubator type industries. Due to these economic changes the DPA Group was commissioned to reformulate a new economic development strategy for the commission. The strategy was prepared by the DPA Group Inc. and was jointly funded by the Government of Canada and the province of New Brunswick under the Canada/New Brunswick Economic and Regional Development Agreement. The CRDC adopted the mission statement recommended by the DPA Group.

The CRDCs documentation illustrates a change in terminology which represents a change in philosophy and orientation which is attributable to the acceptance of the revised strategy submitted by the DPA Group. The term industrial growth is changed to economic growth, thus demonstrating the importance of no longer limiting themselves to certain economic sectors. The major roles of the commission at this point in time is to promote economic development and increase the cooperation within the Chaleur region: "CRIC's mission is economic growth. Our entire focus is on activities which stimulate

growth of the basic sector. We recognize that our most important strength is the talent and creativity of our own business community.” The CRDC still recognizes the importance of industrial development but that in order to meet the challenges of the upcoming years, it is important to diversify the economy and support entrepreneurship as one of the major tools of economic growth. This is attributable to the slow growth of the following sectors: smelting, saw mills, pulp and paper which were for the most part the sectors which economically supported the Chaleur region. Further dependence on these sectors to continue to sustain the economy was no longer feasible and a more realistic approach is taken to economic development:

“Our large industries have been and will continue to be a mainstay of our region. However, we recognize that for them to remain competitive, they will have to invest in automation and reduce jobs. Therefore, our overriding objective is to maintain a level of job creation in the basic sector which offsets the anticipated reductions and consistently surpass the rate of population growth.”⁵⁵

The study identifies the problematic of the current strategy and outlines its’ benefits as well as the new orientation for the commission. New initiatives are required which fall outside of the ‘territorial means of industrial development’ but are within the required parameters of economic growth. The first of these thrusts consists of identifying opportunities ‘which integrate well into the strong resource base of the community’. Secondly, more attention should be given to the tertiary sector. Lastly, amelioration and increase of the commission’s profile. The recommendations found within the study all reinforce the notion that the commission should become proactive as opposed to reactive. “Basically, we believe that the CRIC needs to shift its orientation to a more pro-active

⁵⁵ Ibid. p.1.

development approach as opposed to the reactive role of the past.”⁵⁶ Proactiveness is one of the essential criteria discussed in the previous chapter which will ensure that a region is able to meet the economic challenges which lie ahead.

During this time frame there is also a reorganization of the CRDCs structure and membership. The new structure allows for representation by private sector members and the provision of municipal and non-municipal directors.

The CRDC which represents the Chaleur region has existed since 1973. During its early years, the commission focused primarily on the industrial activity and infrastructure of the region. These elements are still important to the CRDC, however, they have realized that there are other equally important elements which play a key role in the economic development of a region such as entrepreneurship, technology, cooperation amongst the various levels of government, and institution-building. The human aspect of development i.e. entrepreneurship became predominant in the 1990s. It is during this time period in which we notice the most important shift in the commission’s philosophy.

The Chaleur region is faced with various economic ills such as the high level of dependence on primary sectors, high number of seasonal workers and high unemployment rates have created an ‘unemployment insurance culture’ and a dependence on government funding. These perpetuate the stereotypical negative image projected by the media.⁵⁷ However, these ills are few when compared to those listed in the early 1970s. In the 1970s, these factors were more pronounced and accompanied with the lack of a skilled

⁵⁶ The DPA Group Inc. Economic Development Strategy 1987-1992 for Chaleur Industrial Commission Inc. Fredericton: November 1986, p.73.

⁵⁷ 1995 CRDC strategic planning session. However, also important to note that media portrayal of the CRDC has improved and was mentioned in the 1996 CRDC strategic planning session.

and/or uneducated labor force, little or no entrepreneurial spirit and the lack of a proper infrastructure. The regroupment of the communities encompassed within the Chaleur region has helped and continues to eliminate the economic weaknesses of the region. Another factor which was remarked is the positive emphasis placed on the regions strengths. It is being increasingly recognized that a lot of the regions strengths can be used to offset the impact of the region's weaknesses and can be used as building block to further strengthen the region.

Cooperation amongst the communities of the Chaleur region is another indicator of the bottom-up alternative. It demonstrates that local actors are playing an active role in development activities. There are various examples directly related to improving the infrastructure of the region in which the municipalities have worked together to get a projects started. The three most recent examples are:

The Bathurst Regional Airport - reopened by the municipalities of the Chaleur region. Municipalities worked together in conjunction with the CRDC to reopen the airport which was primarily a recreational airport which had been temporarily closed.

The Port of Belledune - It has been in the CRDC's mandate every year. Very controversial a lot of people wonder where the business will come from. However, very much a community project. The City of Bathurst asked to raised \$500,000 in two week period and was able to do so.

The Civic Center - Bathurst is currently building a civic center. It will be completed in the fall of 1996. Another example of the CRDC's involvement and cooperation within the community.

Due to the confidential nature of business assistance to entrepreneurs, it is impossible to disclose the majority of projects in which the CRDC has played an active role in helping and promoting. The exception being of those which were publicized in local papers because the entrepreneurs have mentioned the type of help they received from the CRDC.⁵⁸

Within this sub-category along with new businesses, we have the creation of development corporations which aid the process of institution-building. These foster the creation of a comparative advantage based on the region's accumulated knowledge (human capital). The CRDC was created to ensure a healthy economic climate. Since then, it has evolved into an organization which aids the development process through job creation; the promotion of entrepreneurship; the creation of local enterprises; the attraction of foreign firms; and lastly it has aided the creation of an organization which fosters institution-building, Consult'Action. Consult'Action is a regroupment of eleven organizations (the CRDC, the Bathurst Chamber of Commerce, the Regional Development Corporation, the Research and Productivity Council, the Chaleur Development and Entrepreneurship Center, the Atlantic Canada Opportunities Agency, the Bathurst Downtown Revitalization Corporation, and the Business Development Bank of Canada. The purpose of these organizations albeit all to a different extent is to promote and foster entrepreneurship in the Chaleur region. Essentially, Consult'Action is an address which these organizations share in Downtown Bathurst. However, they aid the area's entrepreneurs and anyone seeking information on the services offered to

⁵⁸ An exemple of this would be Stuart Rosengren who was interviewed in the local paper and was enthusiastic about the help he received at the CRDC. He received assistance in the formulation of his business plan from the CRDC and received a loan through the student venture capital program.

entrepreneurs (new and emerging). Essentially, it is a one-stop shop for entrepreneurs. All services such as consulting, financial, and/or technical information can be met at this one address. It makes the consultation process much easier for both entrepreneurs and employees of these organizations as all are situated within the same building complex.

In the past, it was believed that economic success was dependent on the presence of large firms. Hence the strategies are targeted at the attraction of foreign firms in the hope that the headquarters and branches of these would set up within the region. However, the main purpose of the bottom-up alternative is for the region to create its' own comparative advantage and become less susceptible to outside influences. The importation of large foreign firms takes the decision making process out of the community's hands. The CRDC still markets the region to foreign firms and investors but it is coupled with the realization that local entrepreneurship is also viable and necessary option. In order to attract foreign firms CRDC makes marketing packages to introduce the region to those who request the information. However, it cannot be said that the CRDC is involved in smokestack chasing activities. It leaves the active recruitment of foreign firms to the New Brunswick Department of Economic Development and Tourism and gets involved once a firm considers locating to New Brunswick.

The problem with this is that often important firms/high paying jobs attracted by the province of New Brunswick are often directed to the key centers of the province such as Moncton, Fredericton and/or Saint John and the leftovers are sent to Northern New Brunswick. A prime example would be the textile industry which were encouraged to move to the Chaleur region. Two textile industries have recently set up operations in the

area. However, the Chaleur region was not ready for two of the same labour intensive industries with high staff turnover rates. However, it should be noted that the textile industry along with the provincial government and the commission have found a way to resolve these problems by working together and have hired International Corporate Training Inc. to address and resolve this issue to provide the industry with a qualified and dedicated work force.

The purpose of this chapter was to firstly outline the role which the Regional Economic Development Commissions play in the province's economic development. Secondly, to briefly document the evolution of the CRDC and lastly to describe its structure and activities through my personal observations.

CHAPTER THREE

CRDC: From the bottom-up?

The Chaleur Regional Development Commission's mandate has evolved in its 20 odd years of existence as exemplified in the last chapter. Its' current purpose is to stimulate regional economic growth through the promotion of economic development in the Chaleur region. The last chapter outlined the evolution and structure of the CRDC which allowed our analysis to highlight some of its constraints. The purpose of this chapter will be to discuss whether or not the CRDC is bottom-up by putting together the theoretical foundation laid out in the first chapter and the analysis of the data found in the second chapter.

In order to determine whether or not the bottom-up alternative can be seen in the activities of the CRDC, we must classify the elements which are representative of the bottom-up alternative and also those which are representative of the top-down paradigm. We have identified earlier three characteristics inherent to the bottom-up alternative: the roles of the main actors are redefined with the emphasis placed on community actors; the state becomes a facilitator rather than a dictator and/or implementor of policies. The third major characteristic is the multi-sectoral approach found in bottom-up endeavors. That is not to say that these are the sole characteristics of the bottom-up alternative, the first chapter outlined a wider variety of characteristics found in bottom-up development.

These elements, however, must not all be simultaneously present for a development endeavor to be classified into the development from below paradigm. However there must be the three above-mentioned characteristics (redefined roles of both community and of state, and the multi-structural approach) that must be present. It is the presence and/or absence of these three required elements which will determine whether or not the CRDCs development model falls within the development from below paradigm or in other words whether or not the CRDCs activities and philosophies are representative of the bottom-up alternative.

COMMUNITY

An essential component of the bottom-up alternative is community involvement and/or input in the community's development initiatives. There is a required interaction between the organization which orchestrates the region's economic development initiatives and the members of the community. The private sector is a key group within any community that will be directly affected by the region's economy hence the importance of involving entrepreneurs in the decision-making process. However, entrepreneurs are not the only members in a community so while it is essential to receive private sector input and participation, the other community members must not be overlooked.

As Stewart E. Perry has noted development from below is not solely the stimulation of the business sector and job creation, rather it is a development strategy which takes into consideration the various factors which have an effect on the quality of life. "In this perspective, development comes to be seen as not just the encouragement of

businesses but the creation of an entire mosaic of community resources that make the local a more conducive environment both for economic activity and, more generally, for living there.”⁵⁹ The first step in an effective bottom-up development strategy is a community development organization in which these development endeavors can be channeled. The CRDC is this type of organization, however, it limits itself in terms of actual community development. Its focus is entrepreneurship and the creation of employment which usually falls into the category of business development as opposed to community economic development. There is the mentality that feels that development must take place at the community level but sees this in terms of the promotion of local businesses in order to resolve the region’s problems.

Business development must be considered and encouraged in any effective development strategy, it must not, however, become the sole development activity. Unfortunately, the majority of the CRDCs activities are focused solely on business development as was illustrated in the last chapter. It attempts to stimulate the local economy through the promotion of entrepreneurship and job creation. To generate employment it uses one of the following three options: create new local businesses; expand local businesses ; or imports firms to create jobs for local residents. These may all be worthwhile and effective strategies but, for a truly bottom-up organization, the organization must not solely focus on business development, it must also take into account other considerations such as social issues.

⁵⁹ Stewart E. Perry “The community as a base for regional development” in Regional Development from the Bottom-Up. (Westcoast Publishers - Selected Papers of the local development Series. 1993). p.2.

The support for the region's entrepreneurs is channeled through what is termed institution-building, which is at the forefront of the CRDC's mandate or what could perhaps be termed as the driving force behind the CRDC. We have defined institution-building in the first chapter as the creation and growth of local enterprises or firms. Its primary aim is the creation of jobs which in turn will reduce the unemployment rate and create a healthy economic climate by creating a comparative advantage. This is achieved by utilizing all of the region's resources combining physical, economic and human. The CRDC describes job creation as one of its most important objectives. Its role, therefore, is either to create new institutions by the means of local human capital and/or to improve on existing local institutions and/or the attraction of firms to set up in the industry. It is a combination of these types of institutions which will ensure sustainable economic development.

Examples of institution-building attempts by the CRDC are numerous even if not always successful. Ronald Pitre, one of the CRDCs former economic development officers cites the creation of local enterprises and the attraction of foreign firms as one of the greatest accomplishment of the CRDC.⁶⁰ The merit comes from creating one/and or many jobs. When asked to comment on which was more important between local and foreign firms, he chooses local, for the reason that it is better to develop local entrepreneurs because they are from the region and it helps one or many local individuals (depending on the size of the business which is created and/or expended).

⁶⁰ Ronald Pitre is no longer employed with the CRDC, however, he was a CRDC employee at the time of the interview.

Entrepreneurship is one of the most effective and valuable tools in the creation of local institutions. The focus on local entrepreneurship as an employment option came about as a result of the instability and downsizing of large firms in the area. "The majority of new jobs in the 1990s are created by small and medium-sized businesses."⁶¹ The CRDC promotes entrepreneurship through the services it offers such as counseling, training, helping entrepreneurs prepare a business plan, referrals to other organizations which offer services outside the scope of the organizations and advice and information on the various government programs and institutions offering financial assistance. Representatives of the private sector dictate the CRDCs mandate and hence its development activities. This presents us with the problem that it is a privileged few who decide what is good for the region and what should be done to effectively eradicate social inequalities and economic problems. Obviously, it is impossible to involve every single resident of the region but it is not impossible to implicate or involve representatives of all groups which are affected by the regions' development strategies. There are a host of groups which are not incorporated in this decision-making process. The Chaleur region is made up predominantly of francophones and anglophones, however, there are also a variety of ethnic groups and a strong native community residing in the Chaleur region. Its residents are employed and unemployed; males and females; employers and employees; two income families and one-income families; wealthy and poor. It is not made up of solely of entrepreneurs. This is however, the only group which represents the Chaleur region on the Board of Directors, with the exception of a few public sector

⁶¹ Canada. The State of Small Business and Entrepreneurship in Atlantic Canada - 1996. (Moncton: Atlantic Canada Opportunities Agency, 1996)

representatives. In this type of scenario, it is to be expected that those who control the region's development activities will also benefit from these activities. Perhaps diversified representation not only in terms of the different economic sectors but also representatives of its community members would enable the CRDC to do more than business development. However, the types of representatives on the Board of Directors is supported and promoted by the Province of New Brunswick:

“The boards of many effective commissions reflect the power structure of the community/region. The point to be made is that seldom is it possible to achieve goals without support from influential members of the community. There is nothing sinister in this approach. It is simply an awareness that a commission has an important mission to carry out and that it should seek the best way to do so. When vacancies on the board are to be filled, they ought to be filled carefully.”⁶²

However, if the board was more representative of the community, this could help in the sense of pressurizing the federal and provincial government to rethink the REDC's role. Currently, the funding they receive enables them to do business development and limits them in a sense by preventing the CRDC and other REDCs from engaging in other bottom-up development activities.

The CRDC supports local businesses through a buy locally strategy. All of the commission's stationary supplies and other needs are bought locally. The businesses products and services are selected on a rotational system so that no preference is given to any one company. The same is done through Consult'Action jeans day which is coordinated by the CRDC. Jeans day is a concept which is gaining popularity amongst various organizations. On Fridays employees of the Consult'Action business consultation

⁶²New Brunswick. The Board Members Handbook. (Fredericton. Department of Trade & Commerce, 1989) p.37.

center wear jeans and pay \$2.00 to do so. The proceeds of jeans day are then channeled to that month's selected charity. Every month a different charitable organization is selected so as to not practice favoritism and the center collects \$100.00. As much as possible local charities are chosen rather than big national or international charities.

There is one remaining aspect of the community aspect of the community element which needs to be addressed, which was referred to in the first chapter, internal marketing. Internal marketing in regards to CED and LED, as discussed in the first chapter, involves marketing the region to its community members in order to encourage and foster community pride to incite community action. Currently, the CRDC has no marketing strategy. In the past a greater effort was placed on promoting the CRDC and the Chaleur region both internally and externally. However, due to financial restrictions the CRDC no longer engages in marketing activities. An exception to this being that the CRDC will occasionally purchase an advertisement to support what it deems to be worthwhile activities. For example, there were two trade shows held in the Chaleur region in 1996 and the Consult'Action center sponsored one of the activities and received a free advertisement in the respective programs for the Center. The Consult'Action center also took an advertisement in a Northern Light (local newspaper) excerpt dedicated to small business week to promote the center and its services. In the above mentioned instances the logos and names of the participating organizations are featured along with a brief description of the centers services appear in the advertisement. The only instance in which the CRDC took an individual advertisement was in the Tourism-e Chaleur guide. However, these types of advertisements can not be said to effectively promote the CRDC,

the region, nor create a positive feeling amongst community members. They may be important to occasionally remind individuals that the organization exists and has certain activities. However, a great number of individuals in the Chaleur region are not aware of the CRDC and its mandate.

The importance of proper marketing and the positive portrayal of the region was mentioned by Ian Oliver, former president of the CRDC, in a recent speech addressed at some of the region's entrepreneurs, the local media, and politicians.⁶³ He noted that there have been many positive changes made in the Chaleur region in the last few years and we must take pride in these and incite us to continue. However, these are rarely addressed by the local media rather what we see are headlines of a depressing nature.

There are two reasons as to why internal marketing is important in development from below. Firstly, it is important to foster community action and illustrate that the population is capable of achieving the goals set for itself by demonstrating its achievements. Secondly, internal marketing is important for the CRDC to bring awareness to the members of the community of the organization, its services and activities. There is often times a misperception by clients of the role of the CRDC and also of the aim of government programs.

This section has illustrated the various ways in which the CRDC supports the community and attempts to gain community input. However, the examples derived all involve entrepreneurs and government representatives as opposed to various individual community members or representation of other community groups. There is also a lack of internal marketing to create a common bond and incite community action.

⁶³ Ian Oliver. "Chaleur Vision 1997" Speech. Beresford: January 21, 1997.

THE ROLE OF GOVERNMENT

This section will look at the role played by the government in the CRDC. In order to see whether it is now playing the role of facilitator or partner, this section will evaluate the relationship the CRDC has with the various levels of government and how these relations affect the way the CRDC is governed. We have already established in the last section that the CRDC is governed by representatives of the private sector but we have not yet seen what interaction takes place in the daily operations of the CRDC with the various levels of government or how these affect the direction of the CRDC. In order to demonstrate that the state is now a facilitator and/or partner with CDOs we must examine these relations.

The first and perhaps most striking example of the government's role as that of a facilitator is through the financial assistance the CRDC receives from the federal, provincial, and municipal governments. The Atlantic Canada Opportunities Agency (federal) and the New Brunswick Department of Economic Development and Tourism (provincial) jointly fund the REDCs in New Brunswick whereas the municipalities of the region at hand fund the remaining 10% which is divided on a per capita basis. The federal and provincial bodies therefore facilitate the economic development of these regions through financial assistance. This funding is provided in such a way as to give considerable direction to the REDCs in how they deal with the economic realities of the various regions within the province. To receive this funding, the REDCs must submit a

budget to the provincial government within which they must establish their priorities and projects. They are required to follow certain guidelines. For example, they are not allowed to intervene in social matters. Despite these guidelines, there is considerable room for free initiatives.

“As independent entities, the REDCs are free to follow the paths of entrepreneurial and economic development they consider appropriate to their own region, however, REDCs should not become involved in activities related to regional social development. The province’s funding support will be conditional on REDC’s approving and following multi-year economic development strategies and annual work plans, and reporting thereon, but not on specific strategy nor work plan items.”⁶⁴

As this quotation illustrates, the CRDC along with the other REDCs within the province basically have a reasonable free rein in matters relating to their direction which is derived from the community.

There are also numerous examples in which both the federal and provincial governments play a partnership role with the REDCs. Within the Chaleur region a business consultation center was set up in the early 1990s called Consult’Action. It is a regroupment of eleven organizations which are involved in the development process in the Chaleur region. These include various government organizations such as the Atlantic Canada Opportunities Agency (ACOA), Revenue Canada Customs, Excise and Taxation, The Business Development Bank of Canada (BDC), New Brunswick Regional Development Corporation (RDC), New Brunswick Economic Development and Tourism (ED&T), and the New Brunswick Department of Advanced Education and Labour. The only government organizations which have offices, and therefore a physical presence in the

⁶⁴ New Brunswick. The Board Members’ Handbook for Regional Economic Development Commissions in New Brunswick. (Fredericton, Department of Trade & Commerce, 1989), p.12.

Consult'Action are ACOA, BDC, and RDC, and an employee of ED&T two to three times a week. The others are only present in the form of information kiosks. These government agencies encourage the concept of the CRDC as the first stop. An example of this is if an individual goes directly to ACOA for financial assistance, the development officer will more often than not redirect the client to the CRDC so that it may help that client with a business plan and ensure that all other financial options have been examined. The client will then often meet jointly the ACOA and CRDC development officer.

Another example of the state acting as a partner with the CRDC in the development process is Action North, a provincial endeavor which is targeted at the northern part of New Brunswick and which brings together organizations involved in the development process on a larger scale. The Action North initiative was created in September 1993 and originally included the Restigouche and Chaleur regions, subsequently the initiative expanded to include the Acadian Peninsula. Its objective is to bring together the various levels of government and organizations who have a role to play in the development process. A very important emphasis is placed on the three REDCs. "Les participants à l'initiative Action Nord sont nombreux. L'accent est mis sur le rôle des commissions régionales de développement économique. Celles-ci gardent leur rôle-clé de ressource de base pour ceux qui ont besoin d'aide et d'information en matière de développement économique."⁶⁵ There are three levels: the first being to regroup the various government agencies and the REDCs to discuss active Action North files. This is an effective way to gain input from all government agencies at the same time. The Action North fund is targeted to the above-mentioned regions. It is often used as a top-up to

⁶⁵ http://www.gov.nb.ca/rdc/DAP/actnor_f.htm L'Initiative Action Nord. August 27, 1996.

one of two government programs, either SECAP through the Department of Economic Development and Tourism and ACOAs Business Development Program (BDP). The second segment of Action North is the development table which brings together the agencies who play a role in the region's development. The CRDC is actively involved in these first two phases. The purpose of Action North is not to control the direction of a region's economy but rather to play a complementary role and facilitate the work of those already in place.

Another sector where the government acts as a partner with economic development commissions is government programs. The majority of programs such as the Student Venture Capital Program, Entrepreneur, SECAP, are examples where the entrepreneur must go through the commission to make an application to these various programs. The philosophy behind this is that the Commissions have a comprehensive understanding of their regional economy and hence its needs. They are in a better position to evaluate whether or not certain types of businesses can benefit the economy or oversaturate the market thus creating an antagonistic effect. The one exception being Northern SECAP, a pilot initiative in Northern New Brunswick, administered by the Department of Economic Development & Tourism formulated to include businesses expansions. Denis Caron, formerly employed in Bathurst at ACOA, while in the Chaleur region realized and listened to EDOs concern over the lack of government financial assistance for businesses expansions. He is now in charge of the Small Business

Directorate for the province and in a position to implement a program for which the suggestions came from the region.⁶⁶

REDCs play a greater role in the implementation process of government programs relating to promotion but they are not actively involved in the creation or direction of these programs. These programs are created by the relevant government body and its philosophies originate from either the provincial or federal government's philosophies on what type of industries should be pursued and/or discouraged. Based on these evaluations and/or philosophies, the eligibility criteria of the programs are formulated by those responsible for that particular government program. This is an example of the senior government levels dictating the direction of regional development initiatives. That is not to say that REDCs cannot encourage other types of businesses which do not qualify for government programs but rather that there is no government dollars to aid those that do not fall into the eligible category. The Commission may guide these types of entrepreneurs to other sources of funding such as the banks and/or investment situations.

The REDCs role in relation to government programs then is perhaps best described as that of a manager. It meets with those interested in applying to the majority of these programs and are able to discern if they qualify and aid them in the application process but they do not have the final decision in whether or not these applications are approved or rejected. They evaluate, and can give recommendations. For the most part these recommendations were followed, however, there have been instances where these recommendations were overruled. An example of this would be political pressure where

⁶⁶ In Northern New Brunswick, employment of many individuals are more likely to be a result of expansions than business start-ups. New local businesses usually employ one to two individuals.

political actors become involved and lobby for certain applications and these will sometimes be either approved or rejected for these reasons. These instances are impossible to document due to its political nature. It does not occur on a daily basis nor perhaps even on a monthly basis but it does happen and the majority of the actors involved at the lower echelons will notice but are unable to do anything about this because it is not documented. The individuals involved at the local level which I have interviewed or talked with all agree that this should not happen. They feel that there is little that can be done on these occasions because information about why projects did or did not get approved.⁶⁷ In summary, the governments role has changed but only to some extent. Governments still play an important role but this is without the framework of local initiative.

MULTI-SECTORAL APPROACH

The CRDC is multi-sectoral in the sense that it attempts to build upon the community's' resources such as human capital and empower those within the region to take a proactive stance by creating their own employment through entrepreneurship. The services they offer are not limited to only one area such as access to government financing but they also offer guidance in terms of planification, advice on the ways in which to run a

⁶⁷ The sources of these informations can not be proven as the majority of those interviewed in relation to political pressure prefer to remain anonymous but as an employee of the CRDC and having talked to various individuals involved in the development process it is easy to understand and believe that this does happen although not frequently. The first mention of such an incident was in my first interview with Ronald Pitre, formerly employed as an economic development officer of the CRDC. The other problem in proving this is the confidentiality clause of the CRDC it is impossible to disclose which cases this might of occurred without breaking client confidentiality although the clients are not informed of this but only the official reason as to why they were either approved or rejected.

business. They offer entrepreneurship courses throughout the year to help local entrepreneurs create their own comparative advantage. In terms of technical assistance, if they do not have the information they are able to direct the clients on where to get the required information.

Another aspect of the multi-sectoral approach demonstrated by the CRDC is how it attempts to get input from the various sectors of the economy prior to determining the direction it will take. This is best demonstrated through the CRDC's planning sessions, which were mentioned in the first section of this chapter. These attempt to get diversified input and find out the various concerns and suggestions from those representing the various sectors.

Development from below is multi-sectoral. In other words, this is not development that uses only economic tools to create employment in order to improve the standard of living for a select few, the self-employed. Rather development from below brings with it the idea that the problems facing a region are more often than not a combination of social, environmental, political, cultural and economic problems which must be addressed as such by gaining insight from those affected by these realities and using a variety of tools. The majority of those involved in the Chaleur region development activities realize this as does the province of New Brunswick:

"A positive "development climate" requires a broad range of activities. These include such things as investment capabilities, recreation facilities, community spirit, work ethic, management labour relations, training opportunities, environmental concerns and cultural amenities. Industrial development is often the by-product of community, human resource development and natural resource development. It is an interrelated chain of event which is currently evolving."⁶⁸

⁶⁸ New Brunswick. The Board Members' Handbook for Regional Economic Development Commissions in New Brunswick. (Fredericton: Department of Commerce & Technology. 1989) p.24

Despite this broader understanding, there is little being done about this. There is a host of unanswered questions which must be asked and addressed regarding the interwoven aspects of development.

For development to be classified as bottom-up it must not only be concerned with economic matters but also social, political, cultural etc. The CRDC along with the other REDC's in the province are excluded from social development and are in a sense forced into taking a primary role in development endeavors without being able to select the proper tools to do so. Their role is limited by government intervention but at the same time aided by its withdrawal. They are unable to engage in activities which would ensure a more effective comprehensive development strategy. Social development is viewed as being a state responsibility. This view encourages reactive behavior by implying that it is the role of government to resolve all social problems including welfare dependency and unemployment.

There is one example in the Chaleur region in where the CRDC attempted to receive input from the majority of the different sectors in the area. This occurred in 1991 at the Nepisiguit Economic Conference. Its purpose was to provide the region with direction in regards to strategy and the diversification of the economy. It included the participation and input of hundreds of people regrouped from twelve sectors⁶⁹ in the area:

"These industries were and continue to be, a major contribution but they also have negative fall-outs such as the high wages being paid, which makes it more difficult for small business to remain competitive. This is why developing a strategy, diversifying the economy and controlling the future by determining the direction to be taken are all important to small business. Hundreds of people have participated in the tasks of the twelve sectoral tables. The result is an analysis of the current

⁶⁹ Agriculture, Environment, Mines, Forestry, Fisheries, Small Business, Transport and Communications, Tourism, Sports and Recreation, Education and Training, Youth, Arts and Culture, Health and Community Services.

situation and many proposals for solutions which could help promote development for years to come.”⁷⁰

As this quotation illustrates, various groups were represented, however, once again the aim was to engage in business development activities as opposed to supporting social elements or attempting to merge the two for a common goal.

The question which remains is whether the CRDC would take a responsibility for social development or make it a priority or part of its mandate if this were not excluded by legislation. My dealings with the various board members in the last year leads me to conclude that this would not be a priority. The predominant view is that economic development equals business development and the development of Northern New Brunswick, specifically the Chaleur regions infrastructure such as the Port of Belledune; the Road to Resources; the promotion of Bathurst as the hub of the Acadian Trail (which would include Restigouche, Chaleur, and the Acadian Peninsula); and the installation of a natural gas pipeline leading into the area. The belief seems to be that fostering entrepreneurship and having a well developed infrastructure will create employment, albeit moderate paying jobs in the area. There is, however, a strop belief in the need to support local business, charities and social events through financial contributions and/or volunteers, but these are not sees as part of the development strategies.

Government's role has lessened as we are now talking of having a partnership role with the REDCs. It is the government which is encouraging self-sufficiency at the local level through government programs and the creation of government agencies such as

⁷⁰ Pierre Poulin. "The Chaleur Region: Planning for the Future" in The Nepisiguit Economic Conference Report. (Madran: Via Madran Communications, 1991).p.9.

ACOA. Development from below is supposed to be somewhat of a grass roots movement in which the locality decides it needs to be more proactive and therefore coordinate the area's resources for a comprehensive development strategy. The region becomes more involved in the decision-making process and the government's role becomes even more limited. In the case of the CRDC, the three levels of government are involved in the direction of the CRDC and are forcing the region to take a more active role but at the same time limiting the CRDC by imposing restrictions as to whether REDCs can become involved in the social development of the region.

The provincial and federal governments also have a contradicting relationship with the CRDC in relation to government programs. There a variety of programs encouraging entrepreneurship whose purpose is to promote proactiveness but there is little or no input from localities in the formulation process. The CRDC helps manage these and guide clients through the application process. The state, therefore, is attempting to relinquish the leadership role it had in the past in relation to localities, however, at the same time, its actions produce the opposite effect.

The CRDC does play a role in the region's development. It has aided the region's economy by helping create employment through promoting entrepreneurship and attracting foreign firms. It has also played an active role in improving the regions infrastructure through the assistance and support it has provided with the Port of Belledune and the Bathurst Regional Airport. Community economic development is indeed a process which is rooted in the private sector, however it is not solely the private sector.

To what extent is the CRDC a community based, led by local initiatives and multi-sectoral. There is a problem in that the resources are controlled by a local elite, namely entrepreneurs. There is increasing community involvement but it is not a comprehensive involvement, rather, it is limited to a privileged few. Those involved in the development process fall primarily into one of these two categories: bureaucrats and entrepreneurs. There is little or no input from those in underprivileged situations such as single mothers, unemployed and physically challenged individuals meaning the unemployed, welfare recipients, educators, youth, health care professionals, and environmental specialists are not included in the development process. Those which are actively involved are traditionally white males, there is no racial and not much gender diversity. All these results suggest a negative answer to our question of whether the CRDC is bottom-up.

CONCLUSION

The purpose of this thesis was to determine whether or not the CRDC is representative of the bottom-up alternative. In order to answer this question it was necessary to firstly define the alternative as there is currently no universally accepted definition. This required distinguishing the two predominant theoretical paradigms, development from above and development from below, as the second is often described as being a reaction to the first. The reasons for its emergence are numerous, in some cases Globalization, fiscal restraint, and decentralization are forcing regions to act proactively to face economic realities. The more active involvement of communities in some areas is imposed by the upper echelons of government through fiscal restraint and these would still be labeled as development from above because they are imposed. Other regions are acting proactively and taking matters into their own hands, and these regions can be described as engaging in development from below.

Development from below or the bottom-up alternative was defined as a relatively new development ideology which attempts to both strengthen the economy and improve the quality of life for its community members. The region at hand determines what are the strengths and weaknesses and what needs to be done to resolve its economic and social problems. In other words, it is a proactive multi-sectoral strategy undertaken by the community members as opposed to a situation where the upper echelons of government dictate what strategies should be used. This is done by increasing

community involvement, redefining the government's role, and using a multi-sectoral development strategy.

The foundation of the bottom-up alternative rests upon the principle that development occurs from below, hence its name, meaning that it is the community which dictates the direction of development endeavors. Its greatest strength is that it uses community resources and the knowledge of its population to achieve sustainable development. In order for the community to take charge of its destiny it must firstly forge a common bond and become aware of the region's strengths and weaknesses. The first step involves internal marketing to foster a sense of belonging and pride which includes informing people about what has been achieved through community involvement. Community members become aware of what can be achieved by working together in order to encourage positive thinking and increased community involvement. Internal marketing is essentially image-building aimed at the local population and it also has the ability to increase both investment and tourism in the area which is promoted.

The word community denotes either a common bond and/or a specific geographical area. In the CRDCs case, the Chaleur community is defined by a shared economy predetermined by a fixed geographical boundaries. The Chaleur community includes various socio-economic groups. Community involvement when related to development from below requires the representation and input of the various groups which make up the community. Community input does not mean including only one group which is affected by the direction of development, i.e. entrepreneurs. It means input from all groups affected by the decisions taken.

Increased community involvement and control of development at the community level replaces the government's role in development initiatives. It is the region which initiates the change as opposed to governments dictating what the region needs to become sustainable. In development from below the government's role is redefined. In such a scenario, the government's role becomes that of a facilitator and/or partner and in some cases is not involved in the region's development. This is occurring in one of two ways. Communities are either deciding to play a more proactive role in their region's development and taking control as opposed to waiting and letting the government resolve their development problems. In other areas, the government, for various reasons such as fiscal restraint, past experiences and/changing philosophies, are imposing that regions take a more active role in the development process through reformulated government programs, cutback in funds and/or financial support of development agencies governed by community members, such as the REDCs. In either of these instances the government has either a partnership and/or facilitator role as opposed to being the dictator, implementor and fund disburser of development endeavors. Essentially, the government is no longer the principal actor but rather an actor among many.

Along with community and the redefined role of government, a development from below strategy must also be multi-sectoral in scope. One of the primary aims of development from below is to diversify the economy so that it becomes less susceptible to negative external forces. These changes must relate to both the economic and social infrastructure. Economic diversity and the exploitation of the whole of the community's resources (physical, capital, and human) to reduce the number of imports and increase the

number of exports. The aim is self-sufficiency. One of the main methods used to achieve this is to diversify the region's economy and weaken the region's dependency on foreign investment, imports, and world prices. Economic problems are a result of multiple factors. Any solutions aimed at resolving must take this into consideration and not limit itself by using only economic tools. The solutions have to address the social, economic, and political realities. The economic aspect must also include a diversification strategy for example not only build on one economic sector.

Upon defining the alternative it was then necessary to examine the evolution and structure of the Commission. The third chapter analyzed the data gathered in the second chapter and used the theoretical framework developed in the first chapter. What I discovered is that the CRDC can not be situated within the development from below paradigm. At the outset, the preliminary research (written documentation viewed in Ottawa) seemed to indicate that the Chaleur region of New Brunswick was indeed involved in CED and that the vehicle utilized to carry out and stimulate economic development, the CRDC, was a very proactive organization engaged in development from below activities. I expected to discover that the CRDC was faced with a few constraints or that there perhaps required some fine tuning. However, what I discovered was the opposite that it is still a development from above organization with a few bottom-up characteristics. Our study enabled us to understand the structural, legal and financial restrictions that limit the role of the CRDC in the Chaleur region's economic development.

The CRDC is currently undergoing a shift in its orientation and embracing certain elements of the bottom-up alternative. This can be seen from the increased community participation demonstrated in the third chapter, the increased autonomy in terms of how the money is spent, and the partnership role the CRDC has with the various levels of government. These bottom-up elements and/or characteristics are increasingly becoming meshed with the CRDCs policies and actions. However, there are still too many characteristics representative of the top-down paradigm to describe the CRDC in any way as bottom-up. This was demonstrated in the third chapter through government programs, business development as opposed to community development, the lack of proactiveness and comprehensive community involvement. There are also several structural limitations which prevent the CRDC from engaging in activities which might allow the CRDC to become a bottom-up organization.

The provincial and federal government are the biggest contributors to the CRDC and permit to some extent development at the community level through funding they provide to the CRDC. But this also is also one of the main reasons why the CRDC is not a development from below organization. The CRDCs structure is dictated by the rules and regulations established by the Province of New Brunswick. This outlines who sits on the Board of Directors, not in terms of which individuals but in determining that the majority must be representatives of the private sector, namely entrepreneurs. Secondly, while the CRDC has a relatively free rein in its direction and actions, they are not allowed to engage in development activities relating to social development. Government

programs also impose limitations on the CRDC because these programs are formulated by the upper echelons of government with little or no input from the concerned regions.

There are several reasons why the Chaleur Regional Development Commission is not a bottom-up organization. Governments, and particularly the provincial government, continue to play too strong a role to allow the CRDC to be seen as bottom-up. Without changes made to its structure, the CRDC is not and can not become a true development from below organization as all restrictions pertaining can all be explained by the rules and regulations guiding the REDCs within the Province of New Brunswick.

APPENDIX

The scope of this paper did not elaborate on the proper mechanisms to evaluate the Chaleur Regional Development Commission Inc. and offer possible recommendations which could perhaps make it a more effective organization. The aim was to uncover whether or not the CRDC was a bottom-up organization, hence the theoretical considerations were limited to examining the two theoretical dichotomies: development from below and development from below. However, my research and my employment with the CRDC as an economic development officer has given me a great deal of insight on possible avenues for effective change. As this was not part of my original thesis question, I have chosen to include these in the form of an appendix.

That the CRDC is not a bottom-up organization does not imply that it is ineffective, it does imply, however, that the CRDC is limiting itself to business development and is not as effective as it could be. For as long as its' structure is dictated by the provincial government, an effective development from below is not possible. This does not mean that it can not include certain aspects of development from below in its mandate such as greater community input and marketing efforts to sensitize the population.

The CRDC must firstly eradicate the predominant belief in the Chaleur region that it is the government's responsibility to solve all of the region's economic and social problems. This perception coupled with an unemployment culture negatively affects development in the sense that it encourages a reactive as opposed to a proactive strategy.

It must encourage community members to take responsibility of their economy. There is a need for more local initiative. The region needs more input from other actors, as those involved in the region's development, social events, and community projects are usually the same. Other members must be made aware that there is room for involvement in some activities and also that it is both wanted and needed. The most effective means of achieving this is through internal marketing. Done effectively, internal marketing can both forge a common bond amongst community members and inspire community action.

There are a variety of projects undertaken by the CRDC which at times are not feasible nor worthwhile in terms of the time and effort required by staff members to fulfill. Often such instances are a result of the Board Members not being properly informed of the CRDCs role in the region. A first step in resolving this problem would be the education of the Board Members so that they can understand the role and purpose of the REDCs coupled with the realization that it is limited by financial restrictions, a staff of five, and certain structural constraints. The CRDC should not engage in too many projects so that the staff is unable to do their job, which is essentially to create employment in the Chaleur region through the promotion of entrepreneurship. A second step would involve extending the term of Board Members, currently two years.⁷¹ The problem relating to this time frame is that by the time he/she begins to understand the role and workings of the commission, his/her term is about to expire. However, perhaps this problem can be simply resolved by providing training sessions to Board Members prior to the commencement of their term or a combination of these two recommendations.

⁷¹ This term, however, is renewable for two additional terms at the Board Members option.

In summary, the CRDC is not a development from below organization, it primarily uses a combination of development from above and business development (an element of development from below) as the theoretical foundation of its development. However, the CRDC, although not as effective as it could be, still has an important role to play in the Chaleur region. In order to become more effective and have a greater impact on the Chaleur economy it must firstly eradicate the perception that it is the government's role to resolve all social and economic problems faced by the region and encourage and promote community action as an effective tool. Secondly, it must educate the Board Members concerning the CRDC's role in the Chaleur region. Thirdly, it must be more proactive in opportunity identification. Lastly, the CRDC must sensitize policy-makers of the need to obtain input from the community prior to the formulation of government programs aimed at the region.

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New Brunswick. NB First Start. Advanced Education and Labour.

New Brunswick. Northern Small Entrepreneur Capital Assistance Program. Economic Development and Tourism.

New Brunswick. Partners. Advanced Education and Labour.

New Brunswick. Self-Start. Economic Development and Tourism.

New Brunswick. Small Entrepreneur Capital Assistance Program. Economic Development and Tourism.

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Ian Oliver, Former President of the Chaleur Regional Development Commission (President at the time of the Interview). Interview. January 10, 1996.

Ronald Pitre, Former Economic Development Officer of the Chaleur Regional Development Commission (EDO at the time of the interview). Interview. November 15, 1995.

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Chamberlain, Patsy. Administrative Assistant, Chaleur Regional Development Commission.

Doucet, Rayburn. Former Minister responsible for Regional Development Corporation.

Landry, Charles-Edouard. Project Executive, Regional Development Corporation.

Lavigne, Denise. Secretary-Receptionist, Chaleur Regional Development Commission.

Leduc, Richard. General Manager, Chaleur Regional Development Commission.

Levesque, Monique. Former General Manager, Chaleur Regional Development Commission.

*** These individuals were not interviewed per se, however, over the last year and a half, these individuals have answered many of questions. Specifically, to issues needing clarification.

INTERNET

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