

3.2 The Imperatives – A Framework for Dialogue

Taking into account the results from the survey and the prevailing themes from the literature, six precursors or imperatives for economic development success have been identified. The goal of these imperatives is to help local governments frame their discussions of and approach to economic development. They are intended to be a starting point for dialogue and additional resources are provided in Section 5. Following a discussion of the imperatives are community snapshots that embody one or all these characteristics. Section 3.3 provides a closer look at partnerships. While all of the imperatives outlined below are important, partnerships are examined in greater detail because of the important role they can play in local government economic development.

imperative defn:

Some duty that is essential and urgent

The Partnership Imperative

Are you making the best use of the resources available to you through the use of a partnership model?

Partnerships have the potential to achieve economic development outcomes that would otherwise be unattainable. Partnerships can be important for many reasons: to leverage resources, to avoid duplication, to build credibility, to generate revenue, to establish contacts, to create synergies, to “keep the pulse” of the community and industry trends, and to enable and strengthen the work of an economic development organization³⁸. Partnerships are the vehicles of community-based innovation and local governments have a lead role in organizing and convening partnership processes. It is important to continually assess where mutually beneficial partnerships can be realized for the delivery of successful economic development outcomes.

Partnerships can be used to create change as they bring together new combinations of resources and ideas.

Saskatchewan Economic Development Association

www.seda.sk.ca

The Leadership Imperative

Do you have the leadership in place to set a course for your community's future?

The survey highlighted the importance of leadership and it is consistently identified as a success factor in economic development³⁹. If the leadership to set a long-term vision for a community or to see projects through to fruition does not exist, economic development success will likely not be realized. In addition to having a forward thinking and committed mayor and council, the ability for community champions to see potential projects through to completion should not be discounted. Sometimes the momentum needed for economic development does not come from staff or elected officials but from the thought and vision of community volunteers. Every effort should be made to utilize community champions.

The Place Imperative

Are you focused in on what makes your community unique?

Place matters. In a global age as space becomes less important place becomes more important⁴⁰ and, as a result, place-based development is central to the current discourse on economic vitality and renewal⁴¹. People are seeking out places with defining and unique qualities that set them apart from other localities and communities need to focus on being and doing what they want to attract⁴². Economic development approaches need to focus on identifying and growing local assets and tapping into and taking advantage of the unique aspects of a region.

The Innovation Imperative

Are you fostering innovation and entrepreneurship within your community?

While innovation is most often considered in the context of emerging sectors and metropolitan areas it can exist in traditional manufacturing sectors and non-metropolitan areas and is, in fact, key to the economic renewal of these sectors of the economy⁴³. A supportive and conducive local business environment and a rich network of civic, institutional and organizational programs and policies provide the platform for entrepreneurship and innovation to flourish. While this is an area where a coordinated, integrated and multi-level governance approach is required, local governments are best positioned at the local level to engage the community, enable individuals, and connect people and information that exist in the wider arena. Strong regions, livable communities and collaborative "joined-up" governance facilitate regional innovation. Local governments can contribute by ensuring that innovation remains at the centre of local discourse on economic development, reassessing the region to ensure that current and potential sources of innovation are identified, accelerating and expanding innovation networks, and ensuring that regional innovation takes centre stage in the development of economic development plans⁴⁴.

Without an innovative economy, other community outcomes are difficult to achieve. An innovative economy is at the heart of regional vitality and quality of life.

Collaborative Economics
2008
(see endnote 20)

The Sustainability Imperative

Are you applying a sustainability lens to your economic development efforts?

Sustainability is increasingly viewed as being at the heart of economic recovery and it is no longer acceptable to think of sustainable development and economic development as mutually exclusive⁴⁵. For economic development to be successful it needs to be sustainable. Careful consideration should be given to balancing economic, social and environmental objectives to achieve improved quality of life and sustainable growth. Sustainability cuts across and influences all aspects of local government, from sustainable procurement policies to the utilization of green building technologies, land use and climate change policies. Local governments that are able to nurture a culture of sustainability and create a vision for sustainable economic development are defining themselves as the leaders of tomorrow. Sustainable communities are able to attract people because they create a positive image of a place to live and conduct business and it is important for local governments to recognize this connection and, where possible, incorporate sustainability into their economic development approach.

The Capacity Imperative

Do you have the institutional capacity to realize your community's economic development potential?

Local governments struggle with capacity constraints and should assess if the resources to achieve the economic development outcomes that they set for themselves are in place. It is recognized that it is not realistic or appropriate for many local governments to launch a large-scale economic development effort. For some communities, having a part-time EDO or Mayor and CAO working on economic development will be adequate to achieve their desired economic development outcome. The important consideration is to ensure that the amount of resources available match the scale of effort envisioned, otherwise it is likely that implementation challenges will arise. Equally important is building expertise among staff and council through training and information dissemination and embarking on a dialogue about the delivery model needed to achieve the desired outcomes.

Capacity is needed for local governments to undertake multilateral strategic approaches to regional economic development.

Government of BC, 2006
(see endnote 46)

What do we mean by economic development?

Economic development means different things to different people. It involves a number of stakeholders – government, non-government, community and private sector organizations – and it can imply different outcomes – job creation, increased productivity or improved quality of life. For the purposes of this survey, a definition of economic development has been loosely adapted from the World Bank⁴.

Economic development is a collaborative process between all levels of government and non-government organizations that builds up the economic and social capacity of an area to improve its economic future and overall quality of life
(adapted from World Bank 2010⁴).

While there are many stakeholders in the economic development process, this report concerns itself with the local government role in economic development. This role is varied and complex and is not characterized solely by explicit economic development policies and programs. Local governments are increasingly adopting formal economic development functions, programs and policies, but they also facilitate the development of their local economy through core service delivery, like infrastructure provision and the carrying out of community planning and development. This is an important and often undervalued contribution.

Why bother with local government economic development?

Local governments face a number of complex challenges and to remain economically competitive and sustainable in a global and dynamic environment many have found it necessary to increase the scope and extent of their economic development efforts. Local governments in metropolitan areas often face the challenge of meeting the demands of a robust economy and growing population, while other local governments consider how to maintain economic viability in the face of an over-dependence on resource industries, stagnating economies and declining populations.

It is well accepted that local governments play a significant role in the economic development process and that economic development success is largely dependent on effective local government participation⁵. While there is substantial literature on the “how-to” of economic development there remains very little documentation of the different roles of local governments in the process. As the representative body for local governments in BC, UBCM is well positioned to address this research gap and provide a resource for UBCM members on this evolving policy area.

2.5 Conclusions

- While local governments remain focused on business retention and expansion, community development, entrepreneurship and innovation, and amenity- and place-based infrastructure development are playing a greater role in shaping local economic development efforts.
- Community-based, volunteer driven business development or retention and expansion programs continue to be a proven strategy for economic development, but are also now often augmented by more innovation-driven and entrepreneur-driven strategies.
- Setting out a plan or vision is an important tool for guiding the work of an economic development organization and the most effective plans are strategic, focused and integrated with a community's larger community visioning or community planning processes.
- The lack of financial and human resources continues to be the primary obstacle facing local governments in the delivery of an economic development function – a challenge that is more acute in times of transition when there are additional pressures on service delivery and the local employment base.
- Local governments are using a number of innovative strategies to address economic development barriers, including, organizing an effort where one did not exist before; engaging in advocacy and relationship building with other levels of government and neighbouring local and First Nations governments; developing economic development strategies or refining existing ones, and working more diligently at fund leveraging.
- Many local governments continue to adopt a greater and more explicit role in economic development planning by identifying priorities, engaging in the economic development plan-making process and embarking on core economic development initiatives (e.g., business retention and expansion programs, marketing etc.).

Section 4 Concluding Remarks

The 2009 survey of local governments revealed new insights and confirmed existing thoughts about the state of economic development planning by local governments in British Columbia:

- local governments are trying, with limited resources, to play a meaningful economic development role in shaping the future of their communities;
- the playing field for economic development remains extremely uneven;
- the ability for local governments to impact economic development is great and the ways in which local governments choose to intervene is varied;
- economic development is impacted by all areas of local government service delivery; and
- economic development can in some cases be facilitated equally well through community and sustainability planning approaches as it can be through explicit economic development functions.

Approaches need to be tailor-made to reflect the diversity of regions and communities.

Local governments should think critically about how they choose to approach economic development, whether that is through a formal and explicit economic development function or through complementary and linked community and sustainability planning processes. Each local government faces unique challenges, needs and opportunities and responses need to be tailor-made. One of the goals of this document was to illustrate the diverse approaches to economic development by local governments in BC with a view to inspiring locally based action.

Approaches need to be community driven and outcome focused⁵¹

The survey results support what broader academic research suggests: local governments have the opportunity to facilitate a coordinated effort to economic development and to create a favourable environment for economic growth and community transition. Approaches that give consideration to innovation and sustainability while recognizing and building on place-based assets, whether large or small in scope, have the greatest potential to benefit local communities. A place-based approach allows communities to differentiate themselves, while lending itself to resident retention and attraction as well as visitor attraction. Similarly, efforts that are grounded in the assets of a community and that are driven by the community are likely to garner more success than cookie-cutter strategies.

The research confirms that it is not about the size of the economic development effort but the quality and level of focus that can be brought to the table – some of the most successful economic development initiatives are small in scale and largely volunteer-led. Those processes that are inclusive of the community and leverage the enthusiasm of community champions have been shown to have more credibility and staying power, leading to a more sustained effort over the long-term.

The opportunity exists for local governments to play a greater role in economic development

Multiple roles, drawn from the survey and current literature, are suggested for local governments in facilitating economic development: convening and organizing partnerships between different levels of government, civic, community and business organizations; disseminating information among stakeholders and the business community; building networks of people and information central to innovation; facilitating relationships and leading visioning and research initiatives; and ensuring better coordination among existing delivery programs in the wider arena. That said, it needs to be acknowledged that the ability of local governments to embark on any of these roles is severely limited by the availability of resources.

The challenge of economic development delivery is largely one of resources

There remains a large discrepancy in the level and type of local government intervention in economic development. The reasons for this appear to be mixed. For some local governments economic development planning is simply not an area that is considered a necessary or desirable activity and for others more pressing issues win out. For a large majority, however, it comes down to a lack of resources.

Lack of human and financial resources were the primary barriers identified in the survey and for the majority of local governments there remains little room to move beyond traditional service delivery even though that is often what is expected, particularly in the current economic climate. Capacity building (particularly for innovation-based economic development) by local governments needs to include appropriate resourcing and without this, it is unreasonable to expect local officials to lead or even participate in economic development processes⁵². While the opportunity exists for local governments to play a leadership role in economic development, this opportunity is often overshadowed by fiscal constraints. This is a debate and dialogue that goes beyond the scope of this document, but for clarity bears mentioning here.

Local government economic development success stories continue to grow

Whether it occurs under the guise of economic development, community planning or sustainability planning local governments across the province are demonstrating that they can play a meaningful role in influencing and improving the economic future and quality of life for their residents. The community snapshots in this report represent a fraction of the success stories that are unfolding in communities across BC, but they demonstrate the community benefits that can be realized through the mobilization of resources and thoughtful planning. These communities are leaders in bringing about improved outcomes for their residents and serve as examples of what is possible.

Where do we go from here?

As the organization representing the interests of local governments in BC, UBCM is guided by the issues that matter most to its members. Economic development has consistently been raised by members as a critical issue in their communities and this report represents the culmination of dialogue and discussion by UBCM on this important issue. Hopefully it will also serve as a starting point for future dialogue and action in communities across the province.

UBCM will continue its work on economic development through the direction of the UBCM Community Economic Development (CED) Committee and welcomes feedback from members on this publication or on economic development in general. There are also other resources available to members in their search for more information and Section 5 provides a list of key websites, organizations, and publications. Finally, the UBCM CED Committee would like to extend a heartfelt thank you to all of the members and individuals that contributed in some way to this publication.