

TUESDAY WORKSHOP # 6: GOVERNANCE ISSUES IN
DISADVANTAGED ECONOMIC REGIONS

Names of Presenters

Elizabeth Beale
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Name of rapporteur

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Presenter #1

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Title of Presentation

Disadvantaged regions: how can models of good governance make a difference in regional development programs? Lessons from the North Atlantic Rim.

- His work examines dispersed populations in remote areas.
- From his research and experience, what he believes are the fundamental factors necessary when organizing development.
- Regional development definitions applicable to Nordic North American and European sectors:
 - Sectoral Development (agriculture, fishery, forestry, etc.
 - Diversification building on primary sectors; capturing linkages (upstream and downstream)
 - Diversification into new sectors (tourism, non-resource based manufacturing, “new economy”
 - Capacity building
- Businesses do not function in isolation. In the new economy firms are becoming more and more dependant on other firms.
- A multi faceted approach to economic development is necessary.
- The original cooperators were opposed to too much dependency on the state. However democracy within the state matters. We condemn ourselves to oppression if we try to “work around the state”. We are better off to work with the state and take their powers seriously.
- In a formal governance sense, when we are conducting a process of strategic planning we had best be informed about the governance processes at work. Someone within government is going to make decisions about funding. We are better off being informed when we enter that process.
- Most citizens are not interested in engagement. A wise investment of our efforts is to engage the middle leadership and utilize governance tools.
- Newfoundland, as a case study, developed more like Latin America than the rest of North America. It did not have a strong local government.
- In Nordic countries, local governments are highly engaged and collect income taxes, as opposed to our local governments that are the products of provincial governments.
- Money matters, but structure is more important. We need funding from somewhere to make something happen.
- Access to a skilled workforce is essential. Education is an asset. It is essential to have skills, networks and knowledge for function within governance structures.
- Governance structures necessary for Sustainable Regional Development that feed into the regional economic development organization include:

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- Environmental/Resource Stewardship
- Strategic Economic Planning
- Infrastructure development
- Research and Development
- Business Investment
- Entrepreneurial Development
- Human Resource Development
- Public Participation and Community Education
- Organizational Structures for regional development include:
 - Fiscal Resources
 - Human Resources
 - Leadership
 - Skilled Staff
 - Community Participation
 - Legal Authority
 - Local Democratic Accountability/Legitimacy
 - Geographic Area – a regional approach is key.
 - Time – working on the election schedule is not effective. We need to think long term, beyond a 3-4 year period.
- We should look to the he Irish model, in which government worked together with business and labour sectors to develop economic models together.
- The political will to work on behalf of a community is greatest within that community.
- At the provincial level the will to work on behalf of a community lessens. It lessens again at the federal level. The distribution of political power is opposite, however, greatest at the federal level and lowest at the local level.
- Politics do matter in local economic development.
- We should integrate the economic, social and environmental in our strategy.
- We should think regionally, and act globally.
- Action will not happen without champions to advocate on behalf of depressed local areas.

Presenter #2

Sanjit “Bunker” Roy
Barefoot College, India

Mr. Roy shared two stories from the Barefoot College, as examples of the importance of good governance.

Story One

- In India 60% of children are unable to attend elementary school because of their home obligations. School hours are in the morning and this is the time that the children are needed at home to attend to duties and chores.
- There is a minority of children that can afford to go to school.
- Barefoot College decided to create a night school for children.
- Their method of selecting teachers: Take a person with informal education but no job. This person might be a disgruntled, depressed, and potentially dangerous person. Train people like this to be barefoot teachers.
- Simple practical knowledge is shared in the night schools.
- The schools are lit by solar lanterns built by barefoot engineers.
- Ten years ago a child came and asked why elderly inspectors come to examine their school. The child questioned the logic of having an adult evaluate a school

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that is supposed to be meeting the needs of children. Mr. Roy considered this a good point, so the schools organized an election of 4000 students, voting in a children's parliament.

- The average age of the voters was 6-14 years. They elected a prime minister.
- Since then, four prime ministers have been elected - all four have been girls.
- The parliament has a cabinet with ministers (e.g. minister of energy, environment, etc).
- This girl takes care of 20 goats in the morning, but is prime minister at night.
- The teachers must be accountable to the parliament, and if the prime minister receives complaints about a particular teacher, she can have that teacher fired.
- The cabinet had many duties, such as ensuring more children come to school, that the solar lanterns are lit, the building is in good shape, etc.
- The 12-year-old prime minister met with the Queen of Sweden. She conducted herself so well, not affected by the different environment that the Queen was amazed. She stated that she was not thrown off at all. Why should she when she is a prime minister?

Story Two

- One day a man living in a village questioned the residents about how and where the money flows within the village.
- The residents could not answer.
- A group decided to go from house to house and track how and where all public funds were spent over a period of three years. It took three years, and they found out information about how the government dealt with money
- Following these three years, the group held a public hearing. The government officials had to stand before the villagers. The villagers came out to ask the government officials about how individual cases of money were distributed. It took one whole day. It was an extraordinary activity. For the first time in independent India, politicians apologized and returned money. For the first time government officials were held accountable. It created the right to information act, an act which has just been passed in parliament
- Now any Indian citizen can question a government official about how money is being spent. Officials must answer or face a penalty.
- Mr. Roy had a hearing about his own accounts and his organization. They recorded a method of how to hold a public hearing about your own organization.
- The right to information is a great movement in India today. Everyone and everything should be transparent.

Presenter #3

Janet Larkman

Consultant, Nova Scotia

- Her former agency worked in a small rural area as a regional development authority.
- Obstacles the organization faced included the fact that less than half the adults in that region had high school diplomas.
- In the old method, every municipality had an industrial commission. These commissions competed against each other.
- Results tended to benefit a few people, and didn't trickle down to the whole community
- The new idea was to work from the ground up with the community, and assume that the community knows what is best for itself.

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- In the new model the three levels of government contributed equally to the project.
- They took a new approach. They decided that for economic development to happen in a meaningful way, it has to embrace all the complexities of a community, leaving no one behind and protecting the environment.
- They wanted to foster a community where everyone feels they have a role to play and are involved in many aspects of the community.
- They made a commitment that the organization would work in a totally transparent way, with no backdoor deals.
- They were interested in creating an environment that focused on creativity.
- They garnered a lot of international interest because of their different outlook. They therefore had the job first to see if they could do it, and then to prove it to the world.
- They had several markers of development and lots of statistics. Following their project they had evidence of the success of the new method. Markers included new jobs and an increase in the number of students completing high school.
- However, the new method did not take hold in local governments.
- Challenges:
 1. It is a challenge to have competing governments work together and recognize that what is good for one community contributes to the good of the surrounding communities. Local governments felt uneasy about handing over funds to an independent agency/NGO.
 2. It was a challenge to convince partners to make the connection between the new activities and the results. It was difficult to prove to them that the new activities were the things making the improvements, particularly because the activities were unconventional.
 3. The four year election cycle. Real sustainable development requires thinking about the next generation.
 4. Municipal governments are made up of very practical people. Economic development, however, is very abstract.