Pacifiers, "Piñatas", and the Politics of Regional Development in Northern Ontario

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Introduction

- ***Stuck Between a Rock and a Hard Place: The Politics of Regional Development Initiatives in Northern Ontario***
  - 55 key informant interviews

- **Politics of regional development approach**

A Snapshot of Northern Ontario

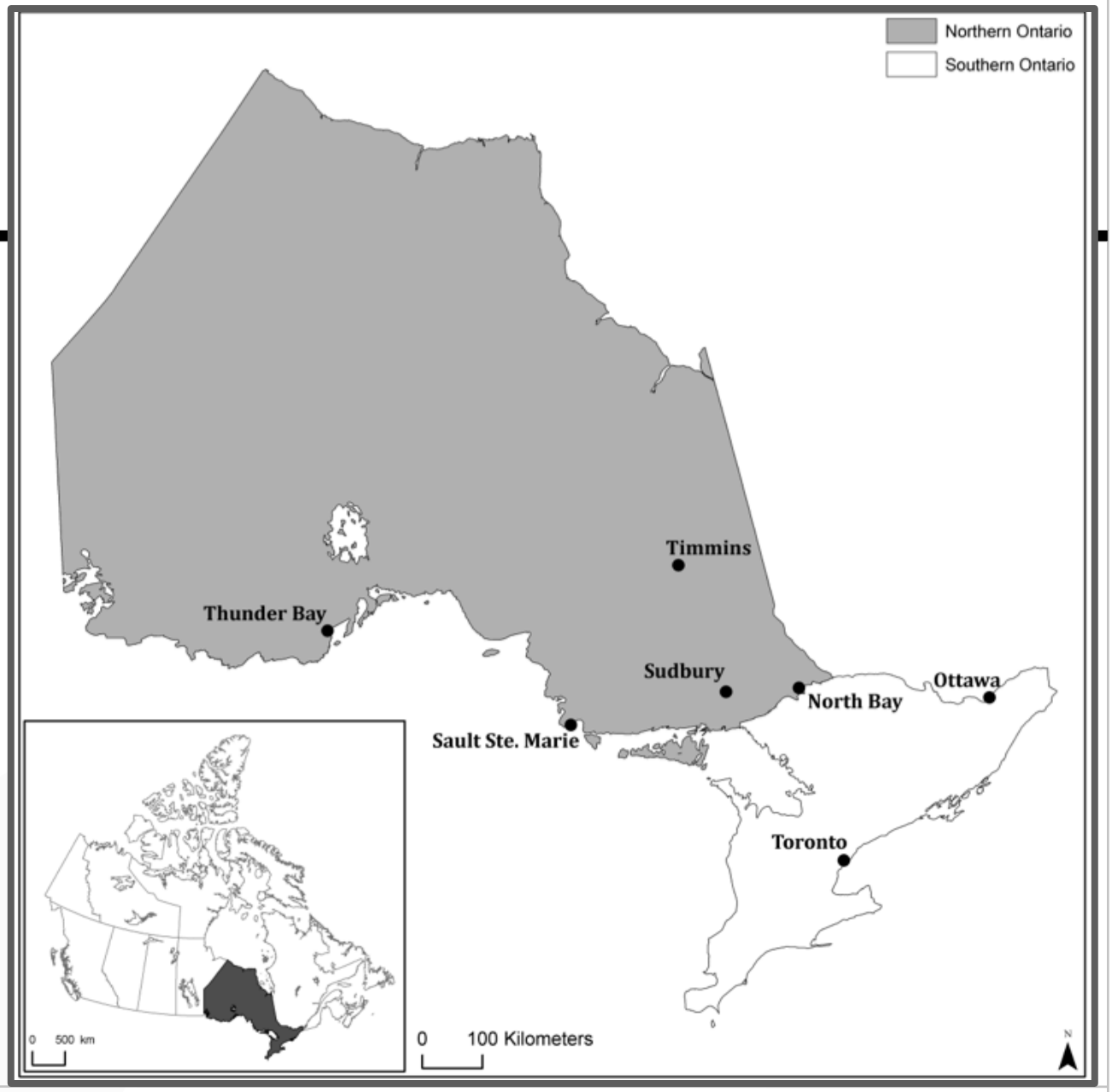
90% of the provincial landmass

Population in Northern Ontario 786,290

Population in Ontario 12,160,282

First Nations

Natural Resources



Regional Development Funding Institutions in Northern Ontario

FedNor

- **Federal Economic Development Initiative in Northern Ontario**
- **Created in 1987**

"created for Northern Ontario and run by Northerners who understand the uniqueness of our business environment" **(FedNor 1989: 4)**

Governance Structure

- Organization within Industry Canada
- Minister of State (sometimes)
- Director General
- Appointed Board (No)

NOHFC

- Northern Ontario Heritage Fund Corporation
- Created in 1988

"to promote and stimulate economic development in Northern Ontario by providing financial assistance for single-industry communities experiencing economic disruption; development of new technology, especially in the resource sector; and for small businesses to get started, modernize or expand" (NOHFC 1989: 2).

Governance Structure

- Minister of Northern Development and Mines
- Executive Director
- Appointed Board of Directors

Paradox of Regional Development Funding

A Lifeline

“we don’t have the track record, we’re a start-up organization so I think where the Province has really fulfilled a really critical niche for us is they’ve given us some money to give us that opportunity”

“NOHFC is just a lifeline for Northern Ontario in general”

Leveling the Playing Field

Our founders were discussing equity financing with an institution in Toronto and that institution was interested in the corporate story until they realized the company was based in Thunder Bay. The comment from the institution's representative was 'I thought you said North Bay' ….implying that they don't finance anything further north than North Bay

BUT …

Politics (1) Photo-Ops

What we've got now is a system that's fairly politicized. Invite the Minister and the Premier to stand on the side of the highway with a golden shovel get a photo-op say how great I've been to your riding so that you can vote my guy back in next time.

Recent Headlines

- Harper Government supports tourism development in the Massey and Manitoulin regions
- Harper government supports community economic development in Wawa
- Harper Government supports tourism development and growth in the Manitoulin region

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Together, building a more prosperous Northern Ontario

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Terms and conditions | Transparency

The Northern Ontario Heritage Fund Corporation (NOHFC) is working to build strong, prosperous northern communities and we are pleased to offer seven unique programs to help foster hope and opportunity across Northern Ontario.

We're ready to invest in you. Together we can build a brighter future for all northerners.

Top News Stories

Supporting Economic Development in Kenora Region

Aug 8, 2013 - Ontario is helping to build a stronger, more diverse northern economy while creating jobs in the Kenora-Rainy River area.

Improving Highway 11 in Greenstone

Aug 6, 2013 - Ontario is creating 53 new jobs with improvements to Highway 11 near the Town of Greenstone.

Jul 26, 2013 - Strengthening Northern Economy and Creating Jobs in the North

Jul 26, 2013 - Improving the Highway 11/17 Corridor Between Thunder Bay and Nipigon

Jul 22, 2013 - Improving Highway 573 near Englehart

Northern Ontario Districts

Politics (2) – Motivation?

The regional development initiative such as **FedNor or Heritage Fund…fritter their money away. All politically motivated. Absolutely, unquestionably politically motivated** […] You can see this week their catering to the Aboriginals, this week it's something else, this week they stuck their foot in it in Sudbury and gapped on something ridiculous so now Sudbury gets a whole bunch of money**. It's always politically motivated. There's no rhyme or reason to any of the funds…you know poor Timmins is a great example. They have nobody who is on the side of the government, both federally or provincially. They get so little it's…depressing to look at.**

Politics (3) - Value

“the difficulties in shutting them down is that they’re popular and so…the Minister’s of provinces where they’re located generally get a lot of mileage out of them, [they] get a lot of profile, the Government of Canada gets a lot of profile for having them there”

"Piñata Politics"

Although the **intentions are laudable and many worthwhile initiatives have received funding**, the effect is an **inefficient welfare patchwork that funnels almost all economic development strategies through these two agencies. Funding and priorities are subject to the whims and priorities of succeeding federal and provincial governments that are not always in sync** (Di Matteo et al. 2007a: 27)

Centre for Excellence in Mining Innovation

- **Rick Bartolucci (Minister of MNDM) vs Tony Clement (Minister of FedNor)**
- **'Minister of Fed*Not*' instead of FedNor**
- **"High Cost of Split Jurisdictions"**
  - Battle between the federal Hatfields and the provincial McCoys (Michael Atkins 2008)

Pacifier Politics

“[They’re] quite brilliant. They have their finger everywhere. Somebody is always got an application in so how dare they actually speak their minds”

Stifles Regionalism

I get… statistics from my staff…we track where every dollar goes from every program, knowledge information funds, for education, the stimulus money and Sudbury and Thunder Bay get the lion share disproportionately. I mean they're largest in population but I'm talking disproportionately now, I'm talking per capita. Unbelievably because now the Minister of Northern Development and Mines lives in Thunder Bay when it was Bartolucci living in Sudbury, Sudbury got everything**. Believe me, we watched, we counted all the numbers. Now that we've seen a huge swing out west, it's revolting and it's all politically motivated, right?** They feather their own nest…**we've seen federally for FedNor, Parry Sound, that's Tony Clement's riding, Parry Sound, Hunstville, these areas down there, the nonsense that they fund because it's in the Minister's own riding**.

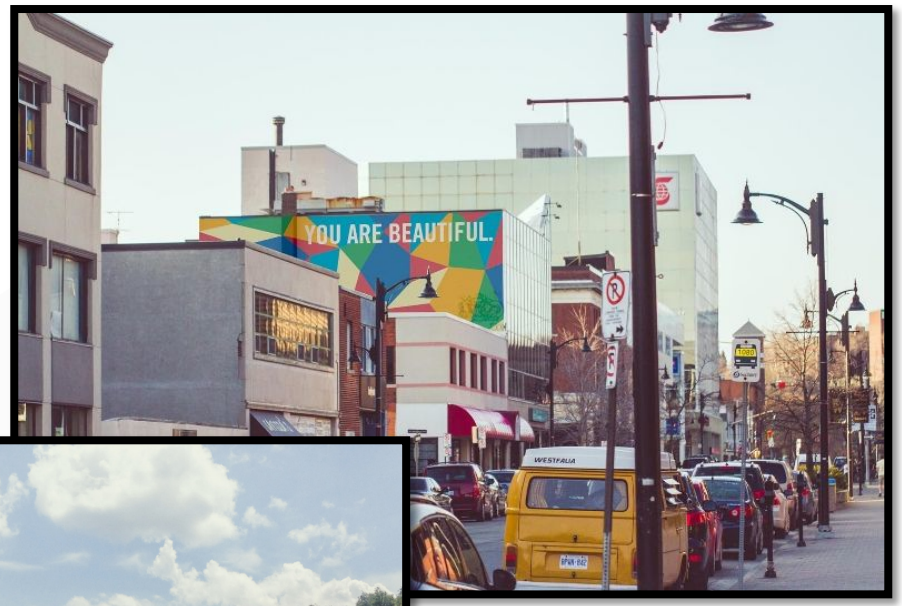
What are the Alternatives?

Minimizing Politics

- **Funding tied to resource revenue sharing agreements**
- **Elected boards**
- **Alternative revenue generating capabilities**
  - Credit unions, philanthropy, co-operatives
- **A long-term strategy with clear funding priorities**

“Crowd Funding”

- We Live Up Here
- Public Art project



Closing Thoughts

- **We need a new conversation on regional development**
- **Grants-based development is only a Band-Aid**
  - "Grantrepreneurs" and "Grant Machines"

"reshapes thinking, slows progress, transfer responsibility and creates a culture of dependency" **(Di Matteo et al. 2007a: 27)**

Thoughts? Questions? Comments?