

THE IMPACT OF THE B.C. ENTERPRISE DEVELOPMENT
CENTRES ON LOCAL ECONOMIC DEVELOPMENT

by

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ABSTRACT

The thesis identifies several characteristics intrinsic to a process of local economic development. Intended as a proactive and endogenous process, local economic development seeks to reduce a region's reliance on exported primary resources and external economies. Strategies intended to encourage the process frequently address two factors: how capital leakages can be decreased and how the value of exports can be increased.

The thesis addresses two variables in local economic development. One is the role of entrepreneurship. Entrepreneurial ventures facilitate new technologies and services, provide competition to existing companies and create new jobs which are locally based and owner-operated.

A second variable is the twofold role played by education and the colleges in particular in facilitating the establishment of an environment which is conducive to entrepreneurship. As learning institutions, the colleges have an important role to play in the promotion of attitudes and values required to encourage entrepreneurial ventures. A second role is to identify and address regional economic development opportunities.

Informational barriers, in the form of poor access to business educational services, restrict the numbers of entrepreneurial ventures in the province and contribute to high numbers of business failures. A college-based enterprise development centre is introduced in the thesis as a novel way to overcome these barriers and address the needs of the entrepreneur and the small business owner/operator. In their association with the colleges, these centres could also serve to

promote attitudes and values which make entrepreneurship and self-employment a feasible option in the minds of college students.

The thesis identifies three particular objectives for a college-based enterprise development centre: to deliver highly responsive and flexible educational services to the small business sector; to establish a close and interactive relationship between the college and the small business sector in order to encourage experiential learning and enhanced levels of entrepreneurship among the students, and to identify and facilitate the training for local economic development opportunities.

These objectives are contained in a model EDC which is used as a yardstick to evaluate eight enterprise development centres established by the colleges in B.C. via the Local Economic Development and Renewal Fund (LERD). Four particular areas of interest constitute the basis of the evaluation: the extent to which the centres are engaged in a process which contributes to local economic development and the creation of new wealth; the flexible delivery of educational services to the small business sector; the promotion of entrepreneurship; and the integration of the centres with their respective colleges.

The most dominant impact of the B.C. enterprise development centres appears to be in the delivery of educational services to the small business sector. The centres provide one-to-one counselling and business services in a way which is flexible and responsive to the needs of the small business sector. They are also actively promoting entrepreneurship in that they have

helped to establish support and professional networks for new entrepreneurs. Two primary weaknesses of the existing B.C. structure are the reactive nature of the centres' activities and their weak and poorly integrated links to the colleges.

Two overall conclusions are drawn. One, as few regional policies appear to be in place to encourage the formulation of a regional strategy, the thesis concludes that the LERD fund is not reflective of renewed support for regional planning and development in the province. Also, there is little evidence to suggest that a decentralization effort intended to create more local autonomy and control over the colleges is occurring. A second conclusion is that the colleges are not being restructured in order that they may become more pro-actively involved in a process of local economic development.

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CHAPTER 1.

INTRODUCTION

1.1. The Purpose of the Thesis.

The purpose of the thesis is threefold. One purpose is to identify the role and objectives of a college-based Enterprise Development Centre (EDC) involved in a process of local economic development in B.C. A second purpose is to construct a model EDC which meets these objectives. A third purpose is to evaluate eight EDCs recently established by the British Columbia community colleges to determine the extent to which these centres relate to those objectives specified in the model. Some conclusions as to the long term implications of the EDC concept for the colleges and regional planning will also be drawn.

1.2. The Research Topic and Context.

In June, 1985 the Minister of Education created a Local Economic Renewal and Development Fund (LERD) of 5.8 million dollars. The purpose of the fund was to enable the colleges and institutes in B.C. to become involved in projects which directly contributed to local economic development. Many of the colleges established Enterprise Development Centres (EDCs) with money from this fund. Few guidelines were issued along with the funding and the EDCs subsequently reflect several different operational and functional techniques. They are, however, unified in their attempts to provide assistance to small businesses and potential entrepreneurs in their communities.

The fund is of interest to regional planners on at least

two accounts. One, the provision of development money to an institution which is regional by mandate suggests that some regional development theories and concepts will be encountered in the administration of that fund. Does this fund imply renewed support for a regional approach to planning and development in the province? Provincial support for the concept of local economic development is also reflective of a new trend in public policy; a shift away from the centralized "mega-project" approach to regional development in recognition of the regions as sustainable and self directed economies.

Two, while the entrepreneurial capacity of a region has long been recognized as an important variable in regional development,¹ it has gone largely without notice in regional development theories.²

The policy would also appear to reflect a new role for the colleges in terms of their institutional mandates. In the past, the community colleges have assumed an indirect role in economic development; programs and curricula addressed employment needs generally, and college graduates demonstrated the contribution of the educational institutions by getting jobs and contributing to local economic activity. Provincial support for a more proactive role for the colleges would now appear to be evident.

¹See, for example, Kilby, P. "An Entrepreneurial Problem", American Economic Review, 73, 2 1983, pp. 118-122; Hagen, E. How Economic Growth Begins: A Theory of Social Change in Entrepreneurship and Economic Development 1971.

²Coffey W. & Polese, M. "Local Development: Conceptual Bases and Policy Implications", Regional Science Vol. 19, No. 2. 1985.

1.3. Brief Overview of the Thesis.

The thesis is organized into six chapters.

Chapter two defines the concepts and variables intrinsic to the thesis. Primarily, the process of local economic development is defined and distinguished from the more narrowly defined concept of economic growth. The localized and endogenous nature of this process is emphasized with structural change and economic diversification cited as desirable end results. The roots of this concept are traced to that of regional planning, and a regional literature which advocates broad structural changes to encourage investment and development strategies in favour of the regions is reviewed.

The chapter identifies and defines entrepreneurship as a variable in local economic development. It also reviews some common characteristics which may be useful in the promotion of entrepreneurial attitudes and skills. A second variable; that of the role of education in the promotion of these values, is also explored. The concept of an EDC is introduced and reviewed in section 2.5. A model EDC designed to foster a process of local economic development is described at the conclusion of the chapter.

Chapter three reviews the method and criteria to be included in the evaluation. Keeping in mind the objectives of the EDC, as described in Chapter Two, four sets of questions are set forth and used to identify four areas of focus for the evaluation. The administering of those questions to key individuals within the communities of the eight EDCs chosen as case studies, constitute the basis for the conclusions of the

thesis.

Chapter four introduces the EDC concept in B.C. Section 4.1. discusses the objectives and background history of the LERD fund. The remainder of the chapter reviews the regional development framework currently existing in the province as well as the administrative and governing structure of the college concept. A series of inconsistencies at the conclusion of the chapter reflect the degree to which the case studies can be expected to vary from the model.

The findings from the administration of the four sets of questions in chapter three are presented in chapter five. The operations of the eight EDCs are then compared to the model. The final conclusions are reviewed in chapter six.

CHAPTER TWO

THE ENTERPRISE CENTRE CONCEPT

2.1. The Concept of Local Economic Development.

Several concepts and variables require definition at the onset of this thesis. Primarily, the concept of local economic development includes some rather distinct features, insofar as economic development strategies are defined.³

Economic development may be defined as sustainable and beneficial economic growth which accompanies, to a quantifiable degree, an increase in income per capita for a given region. The concept was well defined by the American Economic Development Council, (AEDC)⁴

Economic Development: the process of creating wealth through the mobilization of human, financial, capital physical and natural resources to generate marketable goods and services. The economic developer's role is to influence the process for the benefit of the community through expanding job opportunities and the tax base.

The concept of local economic development, however, assumes a broader dimension and a more comprehensive definition. Hunker has provided the following definition.⁵

³The concept, including example projects, has been well reviewed by Wismer, S. & David Pell, Community Profit: Community Based Economic Development in Canada. Is Five Press, Toronto, 1981. Also, refer to C. J. Dorsey & E. Ticoll, (eds.) The Nuts and Bolts of Community Based Economic Development Edmonton Social Planning Council, Edmonton. 1984.

⁴This was the operating definition used by the Committee on Emerging Opportunities, American Economic Development Council, Fall Conference, 1983.

⁵Hunker, Henry. Industrial Development 1975. Lexington, Mass. Lexington Books, 1980.

Historically, much of what is termed economic development may more specifically have been an aspect of industrial development, i.e. focusing attention upon the attraction of industry (manufacturing) to a community or region. Increasingly, however, this is not enough. All elements related to the socio-economic well being of a region must be brought into consideration.

Thus, a series of structural and social transformations are assumed to necessarily accompany the process of local economic development.⁶ The concept, as the name suggests, implies these structural transformations and economic gains occur in a sub-national or sub-provincial area. Some spatial restrictions or territorial limits, including some degree of self government, are inherent in the term.

An increase in the economic activities of a region is frequently measured by increases in the Gross Regional Product (GRP). This refers to an increase in the total amount of goods and services produced in a local economy. While this figure is usually calculated on a regional or national scale, in theory it could be calculated for a community or regional economy and used to measure both increases or decreases in economic activity and interactions.

GRP is frequently disaggregated into the following national income accounting categories:

⁶Coffey W. And Polese, M. "The Concept of Local Development: A Model of Endogenous Regional Growth", Papers of the Regional Science Association, 54, 1984.

$$\text{GRP} = \text{C} + \text{I} + \text{G} + \text{E} - \text{M}$$

where;

C = consumption
 I = investment
 G = government expenditures
 E = exports from the region
 M = imports into the region.

A positive impact on a local economy would therefore result from an increase (or decrease in the case of imports) of one of those factors. For example, a residential housing boom would likely produce an increase in a region in terms of investment, and subsequently raise the GRP. As well, a federal or provincial tax reduction may result in increased consumption also raising the GRP.

Other examples include increased highway construction or a new hospital or school, all of which are felt as increased government expenditures and benefits to the GRP. A sudden increase in the value of exports will also result in a positive impact. Conversely, the more money a region loses through imports, the lower the GRP will be as a percentage of total dollars and cents being circulated in the region at any given time.

Local economic development strategies frequently begin by identifying and addressing two factors of the GRP model: where the money is leaking out of a community through imports, and how the value of exports can be increased. A frequent objective is therefore to reverse the flow of income leaving a community and to redirect the flow of money within a community with fewer leakages. Successful strategies are thus built on strengthening

the local institutions and reducing the leakages of capital.⁷

Certain conditions are assumed to exert a positive influence on a process of local economic development. First, an extended interpretation of the term local is included to suggest an endogenous or native dimension of the process which initiates the activity or development. It is assumed that the prime impetus of the process comes from within rather than from an external stimulus.⁸ Thus, the degree to which a community is able to induce local economic development is largely a function of the entrepreneurial capacities and skills of its population.

A second condition assumes that local control and ownership of the factors of production generate higher returns locally than would occur in a situation of external control and ownership. This is because locally controlled firms, for the sake of administrative and logistical ease, not to mention the costs associated with space and distance, are assumed to establish purchasing patterns and make investment decisions which benefit the community in which they are located. Thus, the concept of local economic development assumes that, to as large

⁷Many regional scientist have developed strategies of local economic development which transcend the context of the mixed market economy. Friedmann and Weaver (1979) for instance have stressed the need for fundamental change in the organization of society. Others, such as Stohr and Taylor, (1981) have encouraged the creation of alternative and parallel economic systems, community owned development corporations and non-market transactions, etc. For the most part, references to local economic development within the context of this study will be confined to the concept of economic development within the existing market structure and cash economy.

⁸Terms such as development from below, bottom up development and grassroots development are other terms which express similar processes. See Taylor and Stohr, 1981.

an extent as possible, control and ownership of the business or enterprise should remain at the local level.

Third, the process differs slightly from other models of economic development which assume that all economic stimuli are external. Frequently, local economic development strategies rely on a supply based model of growth and a vigorous marketing strategy of the region's amenities.⁹ The process assumes an inward dimension as dependencies on external factors are reduced and efforts are made to foster a greater degree of self reliance within the community. This occurs as the community or region begins to restructure and utilize existing consumption patterns and consumer markets in a way which keeps more of the existing capital within the region.¹⁰

A process of economic diversification is also frequently assumed both to initiate and to emerge as a result of a process of local economic development. Diversification of the labour force, favouring the development of a secondary and tertiary sector and complementing employment in the primary sector is seen as a desirable objective of local economic development. The less dependent an economy is on externally demand-based primary resources, the more buoyantly it will ride out a market decline or change in demand for that primary resource.

A final condition is that some structural changes, with

⁹See Webster, D. & Goldberg, M. "The Atlantic Provinces: Canada's New Amenity Region" Contact (1978) pp.91-111 for a review of this concept.

¹⁰See Jane Jacobs, "Cities and the Wealth of Nations" The Atlantic Monthly Vol.253 No.3, March 1984.

respect to the distribution of power and wealth in a region, are assumed to exert a positive influence on a local process of development.¹¹ This frequently occurs in the form of increased wealth per capita, further assistance to particular social needs, the incorporation of previously disenfranchised minorities into the decision making process, increased access to the institutions, and local control thereof, or increased economic opportunities for particular socio-economic sectors.

Local economic development ventures or initiatives are frequently delivered via a new or innovative community tool: the community development corporation (CDC).¹² This organizations is responsible for the initiation and implementation of business and development strategies and frequently exhibit the following characteristics: flexibility, adequate funding and strong, creative and committed leadership.¹³ In their flexibility and willingness to respond to changing circumstances, the CDC's are able to capitalize on the oportunitites within their areas as they arise. Effective leadership is essential and includes some vision of the long term needs of the community. In its catalytic role, the CDC strives to gain support of the community including

¹¹Myrdal, Gunnar, "What is Development?" Ekistics Vol. 237, August 1975. Pp. 84-87.

¹²Wismer & Pell, op.cit. p.63. Also, Brohhead, et. al., in discussing the LDO's, reviews this concept. Community Based Development: A Development System for the 1980's Technical Study 3, Task Force on Labour Market Development, Ottawa, July, 1981.

¹³Malizia, Emil, E. Local Economic Development: A Guide to Practice Praeger Publishers, 1985. pp.60-64.

¹⁴See Malizia, op.cit. p.62, for a list of effective CDC's.

the business community, the bankers and the politicians.¹⁴

The process of local economic development differs from a mere process of economic growth, where a particular investment occurs, or a new market for an export product is developed. The endogenous nature of the process seeks to emphasize a community of values, spatial boundaries and social interactions and dependencies, all of which are deemed to be desirable and worthy of preservation.

2.2. Regional Development Theories

The concept of local economic development, in that it advocates a more balanced and localized approach to development, is closely aligned with the ideological roots, values and beliefs put forth by early regional planning theorists. Regional development theories and strategies advocate the decentralization of institutions and call for structural changes to the existing process of economic development. A regional approach seeks to provide a balanced development policy which will enable a region to develop and utilize its resource base self-sufficiently. Frequently, however, patterns of growth emerge which reflect vast imbalances between the regions and their urban core and a number of theories exist to explain why this is so. A large literature, reviewed as follows, supports the view that some structural changes are required before a process of spatially balanced growth can occur.

The concept of regional planning emerged along the north east coast of the U.S. during the early 1920's. Urban industrial development was increasing at a pace which threatened earlier

patterns of human settlement and rural/urban settlement. A group of progressive reformers including Patrick Geddes, Clarence Stein, Lewis Mumford and Howard Odum established the Regional Planning Association of America (RPAA) in an effort to stop the "flood of metropolitanization of the growth of dinosaur cities."¹⁵

The group lobbied for support for a regional economic development strategy which incorporated regional values. The RPAA feared that the spread of conurbations, and subsequent destruction of stable human and social relationships would accompany the capitalist industrial movement eventually draining all social life and activities into the cancerous metropolis, deteriorate the balance between cities and their surrounding regions with the eventual decline of an active and decentralized cultural life.¹⁶

Nearly sixty years later, disparities among hinterlands, regions and the urban centres give support to the fears of these early reformers. Indeed, the Canadian economy has been described as one of the most fragmented and regionalized industrial market economies.¹⁷ Instead of a balance between cities and their surrounding regions, huge imbalances exist in terms of investment, standards of living, educational and employment

¹⁵Weaver, C. 1979. P.58. Paraphrasing Lewis Mumford, "The regional plan number" Survey Graphic 54 May, 1925.

¹⁶Ibid. p.58.

¹⁷Savoie, Donald, Regional Economic Development: Canada's Search For Solutions. University of Toronto Press, 1986. p.4.

opportunities and levels of income.¹⁸

No better example exists of the phenomenon of regional disparities than that of the resource based hinterlands of British Columbia. Marchak has traced the social and cultural impacts of unbalanced regional growth in many of the forestry based communities of B.C.¹⁹ Her findings support the comprehensive "shopping list of special problems" which Robinson has cited as the fate of typical resource towns along Canada's frontier.²⁰ These problems include a sense of impermanence, unbalanced demographic structures, social and physical isolation, and economic instability, all of which serve as barriers in efforts to facilitate a holistic process of development.

While no consensus exists as to an appropriate theoretical approach to the problem, there have been attempts to develop a paradigmatic policy approach to the phenomenon of regional disparities and development strategies. Richard Lipsey has perhaps stated it best; "For all the concern about regional area development and regional problems, in Canada, we don't really have an underlying theory. We don't know what we would have to do, what are the conditions under which there would be regional

¹⁸The extent to which these disparities exist in Canada has been well documented. See Living Together: A Study of Regional Disparities. Economic Council of Canada, 1977, and Lithwick, N. "Dimensions of Canadian Regional Disparities" in Regional Economic Policy: The Canadian experience 1978.

¹⁹Marchak, P. Green Gold. UBC Press, 1983.

²⁰Robinson, Ira, "New Resource Towns on Canada's Frontier: Selected Contemporary Issues." In Resource Communities: A Decade of Disruption. Detomasi, D. And Gartrell, J., eds. pp.1-7.

²¹Saovie, D. op. Cit. P.5.

equality, however we define equality."²¹ The Economic Council of Canada, after sponsoring several studies intended to define some analytical framework for regional development, produced its most sophisticated work on the subject, Living Together without the hoped for theoretical structure.²²

Much government money has been spent trying to enhance the economic opportunities in areas of regional disparities. For the most part, these expenditures have been based on Neo-classical or Keynesian frameworks. The Neo-classical model of regional economic adjustment posits that labour will migrate from regions of low relative demand and wage rate to areas of high relative wage rates and demand. Strategies based on this model thus encourage and facilitate these migration patterns through re-settlement funding, tax allowances for relocation, and increased information to job opportunities.²³

The Keynesian framework recognizes the market's inability to provide full employment and thus favours some government intervention.²⁴ Such strategies as growth poles and growth centres are based on this concept.²⁵ Based on the work of French economist Francois Perroux, the growth pole theory assumes that

²²Economic Council of Canada, Living Together 1977. pp.215-216.

²³Courchene, Thomas, J. "Avenues of Adjustment: The Transfer System and Regional Disparities", Canadian Confederation at the Crossroads: The Search for a Federal-Provincial Balance. Vancouver, Fraser Institute, 1978. pp.145-186.

²⁴Keynes, John Maynard, The General Theory of Employment, Interest and Money London, Macmillan, 1936.

²⁵Cameron, Gordon, "Growth Areas, Growth Centres and Regional Conversion", Scotland Journal of Economics Vol. XVII, 1970 pp.19-38.

growth occurs in certain focal areas, and then spreads through diverse channels. Policies which initiate these focal areas in slow growth areas are designed to initiate a process of self-sustaining growth. The strategy has been the basis for many of the early policy and program structures of the former federal regional development department, the Department of Regional Economic Expansion.

Some theorists have concluded that the impacts of many of the policies intended to foster growth in lagging regions, have failed to produce either the intended or substantial results. Allen Pred, for example, has concluded that despite the "footloose" nature of many firms' research and production functions, and given the existing bias for firms to reinvest in the regions in which they are located, a situation of locational inertia results.²⁶ He concludes that those who do relocate to lagging regions are mature, low waged and slow growth types of industries with low multipliers to encourage further economic development in the region.

Other theorists claim that it is the unfettered market forces which promote this imbalance in regional resource use and development. The seminal work of economic historian Harold Innes, with his staple theory of development, has introduced much of this regional theory.²⁷

Innes theorized that the Canadian economy was based on the

²⁶Weaver & Gunton, op.cit. p.89.

²⁷Innes, H. Problems of Staple Production in Canada Ryerson Press, Toronto. 1933. 124p.

demand for its natural resources, and thus external demand was the primary generator of economic growth. The theory assumes that as demand and exports increase, the savings derived from these exports are re-invested back into the regions. Eventually "forward", "backward" and "final demand" linkages emerge, creating a much more diversified economy. Then, in its ability to provide more of the functions in the production of the primary resource the region's overall economy becomes more diversified and self-sufficient, and less reliant on external demands.

This theory has been widely interpreted and expanded; many theorists now support the view that a series of obstacles exist and impede the development of these linkages, and the regions continue to be almost exclusively dependent on the extraction functions of resource development.²⁸

Other theories identify the root of the problem as being the region's inability to attract investment to the region. Marchak has attributed many of the regional problems to the corporate process of vertical integration.²⁹ A vertically integrated corporation is one which owns many of the production functions which provide the raw materials, service the production and sell the product. The investment and locational decisions of such a corporation frequently result in a clustering of the investments and development functions near the

²⁸See Watkins, M. "A Staple Theory of Economic Growth", Canadian Journal of Economics and Political Science Vol. 29, May 1963. pp.141-158.

²⁹Marchak, Patricia M. Ideological Perspectives on Canada McGraw-Hill Ryerson Limited, 1981. pp.58-62.

centrally located head office, a practice which clearly does not favour the regions where the resources are extracted in the first place.

Neo-Marxist theory claims that it is the inability of the market to allocate resources efficiently which causes unbalanced regional development. Neo-Marxist theorists argue that assumptions of perfect competition are unrealistic, thus rendering the hidden hand unable to equally distribute the benefits.³⁰

Holland has argued that conventional market forces left unfettered will result in increased regional disparities. Building on Myrdal's theory of circular and cumulative causation,³¹ Holland has argued that high growth firms will continue to expand in high growth regions where they are currently located.³² Moreover, while labour may migrate to realize interregional wage incentives, they will not do so quickly enough to maintain a balance between demand for, and supply of labour.³³

Perroux has argued that while the establishment of growth poles may initiate a growth pattern and thus attract the factors of production and trade to a certain area, it will also

³⁰Weaver, C. And Gunton, T. "From Drought Assistance to Mega-Projects: Fifty Years of Regional Theory and Policy in Canada." The Canadian Journal of Regional Science Volume V. Spring 1982. No.1.

³¹Holland, S. Capital Versus the Regions Macmillan Press Ltd. New York, 1976. pp.47-49.

³²Weaver & Gunton, op.cit. p.20.

³³Ibid. p.47-49.

contribute to a polarization process in that other areas will lose these factors and trade to these faster growing areas. He thus concluded that policy directives should establish counter-poles to those being created by the market, in order to help reduce the polarization process in favour of the less developed regions.³⁴

Pred suggests that a useful regional strategy would be to encourage the relocation of quaternary sector employment such as research and development and head office functions, both of which entail higher multiplier effects within the lagging regions.³⁵

Many others have endorsed explanations and development strategies which are based on more substantial structural changes. Gunton, for example, in documenting the leakages of resource rents out of the regions and the province of B.C., agrees that the B.C. economy is staple-trapped.³⁶ He argues that only significant structural changes, which include a series of regional strategies and institutional reform of resource royalties, will result in an equitable and accountable industrial strategy. Allen also points out the inherent weakness of heavily resource based economy and argues for a provincial policy which includes developing programs to ease the adjustment of resource based-towns impacted by changing technology, and an

³⁴Holland, S. op. cit. p.50

³⁵Weaver & Gunton, op.cit. p.22.

³⁶Gunton, T. Resources, Regional Development and Provincial Policy: A Case Study of British Columbia Canadian Centre for Policy Alternatives, Ottawa, 1982.

expansion and improvement of educational services outside the lower mainland to enhance the employment opportunities in the regions.³⁷

The essence of the "new development theory" is that regions can best control their development through the retention of surplus rents derived from staple extraction.³⁸ The intent behind the strategies designed with the objective of capturing the economic rents involve royalties and the technique of competitive bidding.³⁹

In sum, despite much research and much government expenditure, it is not crystal clear just how the issue of regional economic disparities can best be addressed. While some theorists have argued that only significant structural changes to the way in which we conduct our economic business will lead to balanced growth in the regions, others have claimed that efforts by governments to interfere have already led to unintended results. It does seem unlikely, however, that market forces, left unfettered, will contribute to the degree of balanced and self-sufficient growth inherent in the process of

³⁷Allen, Robert The B.C. Economy: Past, Present, Future. British Columbia Economic Policy Institute. UBC, 1985.

³⁸The term "new development strategies" and "new development literature" is used in this context by Weaver, C. In "From Drought Assistance to Mega-Projects: Fifty Years of Regional Theory and Policy In Canada" The Canadian Journal of Regional Science Volume V, Spring 1982, No. 1. pp.25-28.

³⁹Such strategies have been reviewed for British Columbia from many different disciplines. See for example, Mead, W, (ed.) Timber Policy Issues Vancouver, University of British Columbia Press, 1978. Also, Gaffney, M. (ed.) Mineral Leasing as an Instrument of Public Policy Vancouver, University of British Columbia Press.

local economic development.

Policy makers involved in regional economic development strategies are frequently limited in what they can do by the need to meet the dual and somewhat polarized policy objectives of efficiency versus equity, or place-prosperity versus people-prosperity.⁴⁰ Regional economic development policies are actually statements of political values and political change. The degree to which policy makers can deviate from either of the ideological dictates of efficiency or equity is based on the underlying political values and premises. Thus, values and attitudes towards change must be examined.

Most democratic political bodies in our society derive their ideological roots and values from one of two somewhat distinct, albeit related schools of the conservative or liberal democrats.⁴¹ Conservative democrats, led by such theorists as Edmund Burke, James Madison, and John Calhoun believe that all people should be given an equal opportunity in society. Thus a thriving capitalist system, based on competition among individuals is encouraged and assumed to foster a society in which all individuals will be granted equal access to opportunities and gains. Proponents of this school of thought

⁴⁰Refer to Matthews, Ralph, "Economic Viability vs. Social Vitality in Regional Development" in Perceptions of Development S. Wallman, (ed.) 1977. Cambridge University Press, Cambridge. Also, Winnick, Louis, "Place Prosperity vs. People Prosperity: Welfare Considerations in the Geographic Redistribution of Economic Activity" in Essays in Urban Land Economics University of California, Real Estate Research.

⁴¹Baradat, Leon P. Political Ideologies: Their Origins and Impact Prentice-Hall, Englewood Cliffs, N.J. 1979.

also believe that the freedom of the individual is best ensured when government restraint is minimal. While conceding that the market fails to operate perfectly all the time, they do favour some involvement, albeit minimal, in the economy.

Liberal democrats, on the other hand, view total freedom of the individual as exploitative and oppressive, and thus favour some governmental action to prevent oppression by those who own the factors of production. The Liberal democrats, both past and present, are confident that humans, as intelligent and rational creatures, can devise and socially engineer their institutions to meet their changing needs. Unlike the conservative democrats, who more readily support moves which may re-instate values, tenets and institutions of the past, Liberal democrats respond more favourably to fast and extensive steps which encourage new institutions or values.

Regional economic development strategies are related to both of these schools of thought in their efforts to endorse government intervention in those areas where the market has failed. They differ, however, in the extent to which they recognize market shortcomings and in how much and in what direction they are willing to shift society away from the status quo.

Local economic development was touted as a development strategy which reflected "a blend of ideologies", and one which "transcended all ideological or political bounds".⁴² In its

⁴²Mel Couvelier, Panelist, Conference on Community Economic Development, Prince George, November 30, 1985.

attempts to harness the existing wealth within a community via import replacement and supply based models of growth, local economic development strategies thus offer a viable solution to the dilemma of efficiency versus equity. The concept of local economic development has received much attraction from both groups. It gains favour from both ideologies in that it does not deviate significantly from market driven forces, and in that it addresses social and economic needs.

2.3. The Role of Entrepreneurship in Local Economic Development.

An important variable in the process of local economic development is entrepreneurship. Given the endogenous nature of the process, the extent to which local economic development can occur is actually a function of the entrepreneurial capacities of the region itself. It is unclear, however, as to how this type of behavior can be encouraged in a national or regional setting. Are entrepreneurs made or born? What kinds of characteristics do they share? And what motivates someone to risk an entrepreneurial venture? This section will address these questions.

An entrepreneur has been defined as "a bearer of uninsurable risk".⁴³ Entrepreneurship, the creation of new, independent business, is valued in that it provides competition to existing companies, encourages quality improvement, leads to price reductions and accelerates the development and

⁴³Kilby, Peter, "Hunting the Heffalump" in Entrepreneurship and Economic Development New York, The Free Press, 1971. p.2.

dissemination of new technologies, products and services. In addition to improving the quality of life for society, these ventures are responsible for the creation of new jobs. As more individuals become self-employed and owner/operators of their own enterprises, a process of economic decentralization is alleged to occur, whereby the power and wealth of society is distributed in a more democratic way.⁴⁴ When this occurs in a regional or local area, a process of development occurs including economic diversification, local control over the factors of production, local autonomy over the institutions, and so on.

Entrepreneurship is the subject of renewed attention primarily because the role of small business and self employment is increasing. Analysts have generally recognized a shift from a post-industrial society to an information and service based economy where small and medium sized businesses are seen to play an important role.⁴⁵ A 1981 study conducted at the Massachusetts Institute of Technology, for example, found that between 1969 and 1976, nearly 2/3 of all jobs created were formed by firms employing less than 20 individuals.⁴⁶ A similar trend was

⁴⁴Vesper, K. Entrepreneurship and National Policy Walter Heller International Institute for Small Business Policy Papers, Carnegie-Mellon Graduate School of Industrial Administration, 1983.

⁴⁵Cohen, Dian, & Shannon, Kristin, K. The Next Canadian Economy Montreal, Eden Press, 1985.

⁴⁶Mihailo, Temali, Candice Campbell, Business Incubator Profiles: A National Survey, Hubert H. Humphrey Institute of Public Affairs, University of Minnesota, Minneapolis, M.N., 1984. p.2.

evident in B.C.; by 1985 17 percent of all employed persons in the province were self employed, up from 11 percent in 1975.⁴⁷

The outputs of entrepreneurship, however, appear to be more evident than the inputs required to facilitate such behavior patterns. Platt claims that Canadians have never exhibited strong entrepreneurial traits as a nation, and somewhat in contrast, have never been overly opposed to direct intervention by government.⁴⁸ Theories to explain this national attitude have been offered from an historical, geographic, and a cultural perspective; however, perhaps none more complete than the political-cultural perspective articulated by Presthus.⁴⁹ He argues:

British legacy had mixed consequences. Among its positive ones is surely a pervasive respect for law and order, which on the whole ensured more social stability than found in the United States. Reinforcing this advantage is an organic political philosophy, manifest in a collectivist attitude toward society, contrasting sharply with the competitive individualism of American life...(p.12). and...compared with the United States, which has...had a laissez-faire rationale...(p.12).

This would suggest that support does exist for a reduced level of government intervention in the hopes that it may foster

⁴⁷Central Statistics Bureau, Statistics Canada, unpublished estimates.

⁴⁸Platt, Harlan D. Why Companies Fail: Strategies for detecting, avoiding and profiting from bankruptcy Lexington Books, Mass. 1985.

⁴⁹Presthus, Robert, "Evolution oand Canadian Political Culture: The Politics of Accommodation" paper prepared for the Bi-Centennial Conference on Revolution and Evolution:The Impact of the Revolutionary Experience of the United States Compared with the Development of Canada Solely by Evolution". North Carolina University, Canadian Studies Centre, 1976.

greater levels of self-sufficiency and risk taking.

Studies have also attempted to identify common characteristics of entrepreneurship. A composite profile of an entrepreneur has been provided by Brockhaus.⁵⁰ His studies identify the typical entrepreneurial characteristics: non-conformity, a great need for achievement and satisfaction, high levels of energy and a dislike for long term commitment to structured activities.⁵¹

As well, entrepreneurs in general, have less formal education than those who rise to the top of large corporations;⁵² and frequently have parents who are entrepreneurs. Studies in Canada and the U.S. have found that over one half of the entrepreneurs studied came from homes where a parent was self-employed.⁵³

Vesper has identified a series of pushes and pulls which exist, and either induce or provide a barrier to the development of an entrepreneurial venture.⁵⁴ He has identified both pushes; those negative forces existing in the entrepreneurs current

⁵⁰Brockhaus, Sr. Robert H. "The Psychology of the Entrepreneur" in Calvin A. Kent, et.al. (eds.) Encyclopedia of Entrepreneurship Englewood Cliffs, New Jersey, Prentice-Hall, 1982.

⁵¹McClelland, D, "Achievement Motivation Can Be Developed", Harvard Business Review No.6, November-December, 1965.

⁵²Jennings, William, Entrepreneurship: A Primer for Canadians Canadian Foundation for Economic Education, Ottawa, 1985. p.27.

⁵³Litvak, I.A. & C.J. Maule, Policies and Programmes for the Promotion of Technological Entrepreneurship in the U.S. And U.K.; Perspectives for Canada Ottawa, Department of Industry, Trade and Commerce, 1975. pp.93.

⁵⁴Vesper, K. op. cit. pp.41-49.

employment situation, and pulls; those positive forces which induce one to pursue a new idea, occupation or opportunity. Frequently, for instance, a tragic or unpleasant circumstance encourages entrepreneurial activity. The death of a family member, an undesired transfer or unemployment have been cited as contributing factors in an individual's decision to make a change in lifestyle.

In a similar model, Smilor and Bill have identified four critical factors in the entrepreneurial process: talent, technology, capital and business know-how.⁵⁵

In sum, several factors would appear to be evident in the encouragement of entrepreneurship as a value in our society. Primarily, an environment which is achievement oriented may serve to nourish an individual's self-belief and encourage risk taking. This environment should also be dynamic and flexible enough to accommodate the entrepreneurs sense of "individualism". A second important requirement appears to be exposure to other entrepreneurs who act as mentors or role models. An individual's personal life circumstances may also be conducive to their willingness to assume a risk or change in employment status. Finally, knowledge of business skills, the recognition of an opportunity, access to capital and technology are also integral to the successful entrepreneurial venture.

⁵⁵Ibid. pp. 19-41.

2.4. Entrepreneurship, Education and the Colleges.

Education as a variable in the local economic development process also requires definition. Primarily, education and colleges in particular have a twofold role to play in facilitating an environment which is conducive to local economic development and entrepreneurship. Generically, as an educational institution, the college plays a major role in influencing values and attitudes about the world around it. As changing attitudes in favour of entrepreneurship is essentially a learning exercise, the function is well placed within the learning institutions.

A second role evolves as a function of the colleges' regional mandate. Given their role to prepare young adults for the workforce, and in that they evolved with an explicitly local focus, these institutions are well equipped to prepare their clients to identify and to respond to local opportunities. This section will review both of these roles.

2.4.1. The Promotion of Attitudes and Values

Theorists have long recognized a generic role of education in regional attitudes and values. Indeed, many of the great names of political and social philosophy; Plato, Locke, Rousseau and Dewey, are also respected educational theorists. John Dewey believed that an educated populace with a clear understanding of the local environment would encourage change within the public decision making process. Patrick Geddes, a co-founder of the Regional Planning Association of America, believed that education would create a sense of regional consciousness in the

citizenry and encourage a more ecologically sensitive and goal oriented approach to regional development.⁵⁶

Others have discussed the merits of education in the context of a far more utilitarian definition. Education, or perhaps more accurately schooling was valued in the early years of the industrial revolution as a useful agent of social change. Indeed, "it was no easy matter to turn men and women who were used to an agrarian rhythm into people who would govern themselves by clock and bell."⁵⁷ Schooling was designed to meet the disciplinary and training requirements for early entrepreneurs of the industrial revolution.⁵⁸

It was also designed to diminish the previously cherished value of free time. As early as 1681, for example, the problem of St. Monday, a handy technique used by workers to extend their weekends, was being commented on.⁵⁹

When the framework knitters or makers of silk stockings had a great price for their work, they have been observed seldom to work on Mondays and Tuesdays but to spend most of their time at the ale-house or nine-pins - The weavers, 'tis common with them to be drunk on Monday, have a headache on Tuesday, and their tools out of order on Wednesday.

⁵⁶Weaver, C. Regional Development and the Local Community: Planning, Politics and Social Context John Wiley & Sons, New York, 1984, discusses these ideas, as they relate to regional planning, and the early Regional Planners Association of America (RPAA). pp.29-41.

⁵⁷Osborne, Kenneth, "The Place of Vocational Education in a Comprehensive Curriculum: An Address to the Vocational Education Teachers Association of Manitoba", C.V.A./A.C.E.P. Journal Vol. 19, No. 2. August 1983.

⁵⁸ibid. p.23

⁵⁹Cited in E.P.Thompson, "Time, Work-Discipline and Industrial Capitalism", Past and Present 38, December 1967. Ibid. p.23.

Schooling was thus recognized as an effective way to get rid of the cultural baggage of the European immigrants. William Temple wrote of children in 1770.⁶⁰

There is considerable use in their being, somehow or other, constantly employed at least twelve hours a day, whether they earn their living or not; for by these means we hope that the rising generation will be so habituated to constant employment that it would at length prove agreeable and entertaining to them...

Galieni wrote in 1802:⁶¹

Education is the same thing for man and beast. It can be reduced to two principles, to learn to put up with injustice to learn to endure ennui. What does one do when one breaks in a horse? Left to himself, the horse ambles, trots, gallops, walks, but does it when he wishes, as he pleases. We teach him to move thus and thus, contrary to his own desires, against his own instinct - there is the injustice: we make him keep at it for a couple of hours - there is the ennui. It is just the same when we make a child learn Latin or Greek or French. The intrinsic utility of it is not the main point. The aim is that he should habituate himself to another person's will.

Compulsory schooling was recognized as a useful agent with which to install the values of punctuality, diligence, obedience and politeness, all of which were essential in the process of industrialization.

While not to undermine the honour of these particular values, a different set of values and attitudes are required in the local economic development process. Educators have argued that our current institutions and methods of schooling socialize

⁶⁰Cited in E.P. Thompson, op. cit. P.84, in Osborne, 1983. Op. cit. P. 23.

⁶¹Boyd, W. The Educational Theory of Jean-Jacques Rousseau. New York: Russell and Russell, 1963. pp.306-307.

away otherwise latent entrepreneurial traits.⁶² In recognition of the role of education in the encouragement of entrepreneurial behaviors, educational theorists are arguing for the incorporation of new concepts within the curriculum.⁶³ Two dimensions of change are required to the curriculum: the implicit attitudes and values being promoted in the curriculum, and the methods by which the curriculum itself is delivered. They will be discussed in detail.

Educational theorists have identified three separate domains of learning: the cognitive, the affective, and the skill attainment process. In order to effect changes to the level of entrepreneurial attitudes, all three domains must be tapped by educators.

The cognitive domain refers to those intellectual behaviors which are a function of information recall, such as the basic transfer of knowledge and information.⁶⁴

Simply to understand the information and have knowledge, does not effect an attitudinal shift. One may know that the opportunity for self employment exists, but may never really consider it as a viable or realistic course of action for ones self. It may first require an attitudinal shift on behalf of

⁶²Kourilsky, M. And J. Hirschleifer, "Mini-Society vs. Token Economy: An Experimental Comparison of the Effects of Learning and Autonomy of Socially Emergent and Imposed Behavior Modification", The Social Studies Journal July/August, 1976, pp.376-381.

⁶³Haight, Gretchen, "The Business of Talentville", Across the Board September 1986. pp.44-51.

⁶⁴David R. Krathwohl, Benjamin Bloom and Bertram Masia, (eds.), Taxonomy of Educational Objectives: The Classification of Educational Goals, Handbook, Volume 1, Cognitive Domain. David McKay Co., Inc., New York, For a brief period of time, large scale planning did 1964.

that individual's worldview, that self employment is an option. An attitudinal change, or impact to the attitudinal domain, is required.

In order to demonstrate an affective or attitudinal change the learner must go through a series of five learning steps during which the learner becomes gradually appreciative of why the option is important to consider.⁶⁵ First, having learned the basic principles of economics, the learner becomes sensitized to the existence of the basic phenomenon, for example, the concept of shifting global markets, and the effect on the demand for lumber.

Two, the learner responds to this phenomenon, e.g. as an employee of a local saw-mill, a lay-off seems threatening. Three, the value of the concept is appreciated by the learner, e.g. there are few other jobs in town. Four, this value is organized within his/her mind, and within other value sets, e.g. the learner likes this town, owns a home here, has roots here and moving is not appealing. Five, the learner begins to characterize this value within their niche of other values, e.g. I may be vulnerable to changing global economic trends, and this vulnerability threatens my most desired values and wants. At this point, the learner undergoes an attitudinal shift, realizing the need for personnel involvement and input into creating a job instead of waiting for some other chance at employment.

The third domain of learning occurs in the form of an

⁶⁵Ibid, Volume 2, Affective Domain

acquired skill. Clearly, teaching individuals the ethics of entrepreneurship is one thing; however, business skills, data processing, technical and vocational skills and written and oral communication skills are obvious ancillary skills required to implement the strategy.⁶⁶

In order to advance the entrepreneurial capacity of a region, therefore, the education system has an important role to play in the promotion of cognitive, affective and technical skills, all of which are required to foster an entrepreneurial climate.

A second way for the colleges to assist in the creation of an environment which is conducive to entrepreneurship is to make themselves more accessible to the small business sector. Many studies in the U.S. have indicated that the public educational institutions, through traditional delivery methods, have not been contributing to the level of skill required by small business managers.⁶⁷ Rather, it is argued, the business education programs appear to prepare the individual for employment within a larger corporate structure.

These findings have been supported by many successful entrepreneurs who have rated the overall value of education as low, claiming it failed to fill the required gap between identifying the required management techniques and outlining

⁶⁶Gryphon House, The Psychomotor Domain National Special Media Institute, Washington, D.C. 1972.

⁶⁷Williams, Ivan, R. "A Gap in the Education Needs of Entrepreneurs", Journal for Education for Business, Vol. 61, No.5, pp.226-230.

some strategy for implementation.⁶⁸ As well, many potential small business owner/operators have restricted access to the structured form of business education because of time and cost constraints. Potential entrepreneurs may also be intimidated by the college structure, particularly if they have little or no post-secondary education.⁶⁹

The second role that the colleges may have in the process of local economic development, therefore, is to make their services more available to those individuals in the community who are attempting to generate wealth by their own entrepreneurial ventures. More flexibility is therefore required in the delivery of educational services to the business community.

The dual functions of the promotion of entrepreneurial attitudes, and the more flexible delivery of services can be easily incorporated within the operations of the college by using the college's resources, (i.e. the students and the instructors), to address the small business needs in their own communities. Such a process would entail combining the students cognitive learning processes with practical learning exercises which are also designed to provide some assistance to the small business sector.

Many U.S. examples exists whereby efforts have been made to combine an experiential and cognitive learning process. In addition to providing a challenging and relevant work experience for students, experiential learning experiences contribute to an

⁶⁸Ibid. p.229.

⁶⁹Kelly, L. "Small Business's Big Training Needs", Training and Development Journal June 1984, Volume 38, No. 6. P. 39.

affective change within the learner and can result in an increased level of entrepreneurial attitudes and values. The practice also enables the colleges to reach the business community at an effective level. A number of these examples are reviewed as follows.

Students at Ball State University in Muncie, Indiana are exposed to both an experiential and cognitive approach to entrepreneurship and business skills. In a dual progression of learning, teams of students accompanied by a professor visit a particular business recommended by the federal Small Business Administration, (SBA). The group prepares a report for the customers and the SBA on the business problems and some strategy for improvement. The benefits of this operation are significant and well distributed. The company receives the report, without a fee; the college students receive a real world experience; and the college receives a \$400.00 fee per completed case from SBA. This "Small Business Incentive Program" is highly regarded by SBA as an effective means to help small businesses with problems.⁷⁰

In the town of Onaga, Illinois, a new highway was built which by-passed the community. In an effort to stimulate the dying downtown business core, a project was initiated by a local community group. Students from the Illinois State University were included and used to apply a variety of important business

⁷⁰A Small Business Management Entrepreneurship Curriculum: A Dual Progression Experience", Journal of Education for Business Vol. 61, No. 6. 1984.

and community concepts to an actual situation.⁷¹

Many colleges and universities in the United States, for instance, have established student consulting operations within their institutions.⁷² Typically, a consulting assignment is included as a partial requirement for a credit course, such as small business entrepreneurship. Student resources are then available as legwork for the business person. Such work would include book-keeping, cash flow analysis, or developing a list of market leads. Other departments can also be involved in areas such as marketing and advertising. At a more advanced level, students can contribute as an independent corporation with supervising professors or instructors. In addition to providing a challenging and relevant practical work experience for students, the college is able to reach the business community at an effective level. Moreover, students are exposed to a climate which enhances their entrepreneurial attitudes and practical business skills.

Students have also conducted market research for a new invention or product idea, for example, at the Oregon Innovation Centre at University of Oregon. The centre was established in 1973 as part of a National Science Foundation experiment to test for various incentives and to stimulate non-corporate technological innovation and entrepreneurship. A significant component of the program involved student and professor applied

⁷¹"Teaching Small Business Through Experiential Learning"
Journal of education for Business Vol. 61, No. 5. 1984. pp.224-225.

⁷²Ragat, M. "Setting up a Student Consulting Organization",
Journal of Small Business and Entrepreneurship, Volume 3, Number 1, Summer 1985, pp. 23-29.

research. Once completed, the student reports were given to the client who introduced the innovation to the centre, and the student was marked accordingly.⁷³

As a variable in the process of local economic development and entrepreneurship, therefore, education plays a twofold role. In its ability to impact the students at an attitudinal level, the educational process can encourage entrepreneurship and self employment as an option. Educational institutes can also become more flexible and accessible to the small business community in order to enhance the general skills level. A combination of these two roles would facilitate a valuable learning process for the students while at the same time providing valuable assistance to the small business sector.

2.4.2. The College as a Regional Actor.

The second role of the colleges in local economic development relates to its mandate as a regional actor. An important value in the local economic development process is the recognition of the region as a cohesive and spatially bound economic actor. This may include teaching those skills which directly relate to the business and industrial needs of the community as well as providing information to enable the development of those industries or sectors identified as opportunities in an overall community economic development strategy.

⁷³Udell, G, et. Al. The Oregon Innovation Centre Experiment: 1973-1978. Innovation Evaluation System, I,II,III.

For instance, further refinement and utilization of the area's natural resources may be facilitated through education. In areas where fishing has been the traditional mainstay, an effort can be made to set priorities to develop industries in the mariculture, and fish farming sector. Forestry regions can encourage value added types of industries which produce new wood products and utilize locally available and abundant carpenter skills. For an area where much of the economic activity has been based on natural resources, there may also be an abundant and available skilled labour force.

In areas eager to enhance the tourist industry tour guides, local naturalists, historical guides, kayaking leaders, wine tour guides, etc. can be trained. Decisions can also be made to provide general insights into the requirements for a specific industry, such as hospitality, for example.

To sum, an important role for a college is to encourage the development of attitudes and skills which are deemed to be conducive to a productive society. In the process of local economic development this includes the promotion of such entrepreneurial skills as risk-taking, business know-how, and creative thinking. The colleges have a role to play in addressing these needs. A second role includes the provision of information and skills which are relevant to the college's local economic environment.

2.5. The Enterprise Centre Concept

Studies have shown that a series of informational and situational barriers exist and constrain the emergence of small

business.⁷⁴ The purpose of an EDC is to assist in overcoming some of these barriers. Conceptually, therefore, the enterprise development centre is a tool through which to provide some entrepreneurial skills and business know-how.

A variety of models exist, all of which are intended to offer small business assistance and entrepreneurial skills in a way which is more flexible and responsive than the traditional educational institutions. One of the earliest models of delivery was that produced by the Hawaii Entrepreneurship Training and Development Institute and is known as the HETADI Model.⁷⁵ This model includes eleven particular subject areas as follows; (1) The Business Plan, (2) The Entrepreneur's Environment, Characteristics and Motivation. (3) Selecting a Business (4) Market Research and Analysis (5) Market Strategy (6) Organizational Plan (7) Bookkeeping and Financial Projections (8) Taxation (9) Obtaining Capital (10) Law and Regulations (11) Functions of Management.

The HETADI Model has gained success world wide and claims a 40% success rate for hard core unemployables, and a higher rate for more motivated users.⁷⁶

Perhaps the second most reknown model for the delivery of these skills is the Minnesota Model. Developed by the Minnesota

⁷⁴Vesper, op.cit. p.22.

⁷⁵Skanaanhele, G., Gene Ward & Richard Kennedy, The Entrepreneur's Handbook Hawaii Entrepreneurship Training and Development Institute, University of Hawaii, 1979.

⁷⁶Witter, G. Entrepreneurship Program Co-ordinator, Vancouver Community College, Personal Communication, Vancouver, October 23, 1986.

Institute of Management Studies, as a cost-recoverable program, the Minnesota Model involves a direct recruitment-like process where the administrators of the model go door-to-door within a community to to sell the learning process. Established business people are encouraged to sign up for the program (at an approximate cost of \$100.00 per month for a two year period) and discuss problems that they themselves identify as being relevant to their businesses, (i.e. cash flow analysis, inventory, etc.) The program is equally divided into two parts; fifty percent of the program content relates to personal and social issues facing the new entrepreneur, and fifty percent relates to professional competence.

Efforts have been made to incorporate the flexibility and responsiveness of these delivery models within the functions of public educational institutions. The result has been the creation of a number of college-based enterprise development centres. A good, and in fact the first, example of an enterprise development centre co-operating with the community college is at Lane Community College in the State of Oregon. In 1982, the economic climate of Oregon rang a familiar tune: double digit unemployment, high numbers of business failures, and a devastating drop in state revenues due to a weak wood products industry. Recognizing the role that a vibrant business community could play, Lane Community College established a Business Assistance Centre, (BAC).

The college combined existing programs and resources, added a few new management services courses, and now operates the centre as a leading community resource, highly involved with

other economic development organizations. The BAC offers short term learning courses, business counselling and long term educational programs.

The centre has been highly acclaimed by its users. Participants report increased sales, increased employment and increased abilities to obtain financing.⁷⁷ It is also reported that 16% of the BAC clients started a new business after receiving counselling at the centre. Other clientele reported a 6% net employment gain, 44% indicated an increase in sales and profits attributable to the business counselling, and 13% of the clients obtained financing as a result of the counselling.⁷⁸

In 1983, recognizing the success of the Lane Community College model, the Oregon Legislature provided funding and direction to establish a network of centres, modelled after the BAC at Lane. The Oregon Department of Education also formed a Small Business Association Council. Later, the national organization, the American Association of Community and Junior Colleges, formalized a role in Management Training and Small Business Development through the establishment of the Small Business Training Network. The Network acts as a direct link between the Federal Small Business Association and the 1,234 community and junior colleges.⁷⁹ This practice provides for

⁷⁷Cutler, Edward, "Open for Business", American Association of Community and Junior Colleges Nov. 1984. pp.28-30.

⁷⁸Ibid. P.30.

⁷⁹Jellison, Holly M. "Small Business Training: A Guide for Program Building" Washington, D.C. Small Business Association. 1983. P.3.

assistance to small business and industry as well as providing the opportunity to develop entrepreneurial attitudes among students.

The Northwest Enterprise Centre at Confederation College in northwestern Ontario, is Ontario's first enterprise centre. It was established in 1985 with funding assistance from the Ontario Ministry of Industry, Trade and Technology and the Ministry of Northern Development and Mines. The centre is viewed as a leader in the development of marketing and delivery of non-traditional education.⁸⁰

The Small Business Owner Development Program is the main vehicle of the centre's activities. This program was established in an effort to improve the performance of those in the small business sector, lower the business failure rate and accelerate the rate at which small business owners mature as entrepreneurs.

The centre receives guidance in terms of policy and program directives from a council of fourteen members made up of representatives from small business, large industries, labour and the public sector from across the region. The centre has a series of programs for which the clients are recruited by the program advisors. Participation in each program incurs some costs to the clients and generates some revenue for the centre and the advisor.

In sum, the concept of an EDC has evolved in response to the small business community's need for flexible and responsive

⁸⁰Northwestern Enterprise Centre, Unpublished Manuscript, Thunder Bay, 1986.

training. A series of models have been designed to deliver these services. The educational institutions, in an effort to mimick their flexibility, have adopted many of these models.

2.6. A NORMATIVE MODEL EDC FOR LOCAL ECONOMIC DEVELOPMENT

As the concepts and variables have now been defined, the next step in identifying the role of a college-based EDC is to describe the model. This model can then be used as a yardstick to measure the organization and operations of the eight enterprise development centres.

2.6.1. The Objectives of the Model.

Three objectives of a college-based EDC have been identified. One is to provide an overall increase in the GRP of a region, either through increasing the value of exports or by reducing the flow of imports. A second objective is to provide highly responsive and flexible educational services to the small business sector. The third objective is to enact some changes to the college curriculum and methods of delivery in order to encourage entrepreneurship among the students. A discussion of these objectives follows, along with a review of the role and the structure which may help facilitate the objectives.

2.6.2. Assisting in the Generation of New Wealth.

The most direct way for the EDC to contribute to their local economies may be to become involved in projects which either reduce the value of imports into a community or in projects which attempt to increase the value of exports from the

community. This implies setting priorities in terms of specific industries, businesses and particular products or services. The identification of such enterprises and products would require a study of local consumption patterns to identify the leakages from the region. The centre could then focus its efforts on introducing new products to the market which do not displace or compete with existing companies.

2.6.3 Flexible and Responsive Educational Services.

The second objective of offering more responsive and flexible delivery services to the small business sector can be facilitated by offering consulting services and export development assistance to entrepreneurs wanting to develop these key enterprises. This includes providing step by step guidance and assistance to its clients to ensure that all aspects of the proposal are sound and that the investment will represent the best possible return to those financing the project. A successful application for funding would potentially result in more money coming into the community in the form of investment as well as the creation of a small business which may create local jobs.

Other direct benefits include the infusion of new capital into the region. The EDCs can assist in drawing more capital into the region by assisting its clients in gaining access to sources of funding. This includes providing access to information about government grants and loans, potential funding sources, and specific financial policies designed to assist in the creation of small business.

Benefits also accrue at an indirect level. The centres can initiate a valuable network among potential investors and entrepreneurs by offering match-making services. An investor is thus offered the opportunity to gain an interest in a project which bears the benefit and approval of the centre's expertise. The role of the centre would be to assist in the compilation of a strong and viable business plan. The seal of approval would then represent the collective expertise of the relevant colleges resources. Such a service, in addition to the creation of at least one new job, could maintain local control of investment capital.

This networking function may also be extended to the clients and users of the centre, for whom such an opportunity would provide a valuable forum for creative exchanges and to establish support networks.

Other potential roles for the EDC include the provision of certain physical services, such as incubation services for young growing firms. Incubation facilities include the provision of a sheltered nurturing environment with direct assistance through affordable rents and services, (i.e. photo-copying, typing, etc.), and indirect assistance available through the social and professional networking opportunities inherent in the environment.⁸¹

2.6.4. The Promotion of Entrepreneurship.

⁸¹Allan, D. & Rahman, S. "Small Business Incubators: A Positive Environment for Entrepreneurship", Journal of Small Business Management, Vol.23, Number 3, July 1985. pp. 12-22.

The EDC can also contribute by enhancing the local entrepreneurial capacity of the community and the students. While it is difficult to measure the degree to which the EDCs have contributed to this entrepreneurial base, it is possible to measure a demonstration of some effort to upgrade the level of business knowledge and entrepreneurial skills within the local area would ideally be included. The fact that the centres operate as adjuncts to the college also implies that this would ideally occur as an educational function of the college, versus the simple provision of such services. This would imply a formalized role for the faculty and the students in the centre on a day to day basis.

This potential can be realized by encouraging interaction between students and successful entrepreneurs in the latter's own environment. Support can also be recruited among the instructors of the college to both encourage their involvement in operations at the EDC, and the development of some degree of overlap or compatibility between courses taught in the college and practical skills being employed in the centre.⁸² This function serves to create a positive entrepreneurial environment in that the student is exposed to both experiential and cognitive learning exercises, a mentor or role model is provided by the small business owner/operator, and some practical and

⁸²Refer to Luchsinger, L & Luchsinger V, "New Trends in Educational Programs Oriented to Small Business", Journal of Small Business Management, 15, No. 1, January 1977, pp. 43-47 and Braunen, W. & Bond, K. "What students say about small business marketing" Journal of Small Business Management 17, No. 4, October 1979, pp. 48-54.

relevant business experience is gained.

2.6.5. The Need For Balance.

There are, however, some caveats involved in the inclusion of combining the business communities' needs within those functions of the classroom. Clearly, too much of good thing, at the exclusion of other factors, can be damaging to the basic objectives of the college. Since the trend towards increasing co-operation between education and industry has become somewhat of an established practice in the U.S., we, the Canadian novices, can look there to gain some important insights.

In the State of North Carolina, for example, more than 70% of the budgeted enrollment within the college system is in specific job training.⁸³ The communities point with pride to potential and existing industries, "When you open your doors for production, our community college system will have people trained to your specifications, ready for employment."⁸⁴ Training programs, called "pre-employment training", are offered at the college at little or no cost to the companies. Graduates then go into the state-provided training centre, a microcosm of the main plant, even to the extent of replicated machinery. Once hired, individuals return to the training centre to refresh their skills, or to learn how to use different machinery.

A similar situation exists in the state of Illinois, where

⁸³Holdsworth, R. "No Shrinking Violet", Journal of American Association of Community and Junior Colleges November, 1984.

⁸⁴Scott, Robert, President of North Carolina Department of Community Colleges, Ibid. P. 33.

an excess of 1,200 courses under contract with 700 firms for over 45,000 employees were provided within the period of January 1982 to August 1983 by the college.⁸⁵ Courses such as computer literacy for small business, robotics training for G.M. employees and other manufacturing companies were also offered.

The community colleges in this state are explicitly recognized as playing an integral role in economic development, along with government, labour and business. All 39 college districts operate business centres or economic development offices, whose primary purpose is to co-ordinate customized job training programs for new and existing industry, "tailor made to meet the business' specific needs".⁸⁶

Thus, community colleges in both the U.S. and Canada are becoming more actively involved in their economic environments. Colleges in the U.S. have clearly witnessed a vast increase in the amount of legislation encouraging this increased activity between industry and education, and the move is to some extent viewed, as a positive one by educational theorists: "it creates a new limelight for expression and recognition of the commitment these institutions have to serving local business and industry needs."⁸⁷ Educational theorists have wasted no time, however, in

⁸⁵Burger, L. "The Progress of Partners", The American Association of Community and Junior Colleges, November, 1984, p. 36-39.

⁸⁶Burger, L. op. cit. p. 38.

⁸⁷Martorana, S., & Garland, P. "Public Policy for Economic Development: The Two Edged Sword." Community and Junior College Journal November 1984, p.18.

pointing out the inherent dangers in the U.S. approach.

As Inman argues, some very basic interests and values of society have traditionally been represented in educational policy.⁸⁸ The private sector interests, in contrast, are profit driven and investments are thus self-serving. Inman has argued that while collaborative efforts between the public and private sector are worthy of encouragement because of the extent to which they contribute to the financial base of the institution, misunderstandings as to the purpose and role of education, the effectiveness thereof, and the responsibility for improvement and financing can and frequently do occur because of the traditionally poor lines of communication between business and education.⁸⁹

As well, Martorana recognizes this move as a positive one only insofar as the actions support the activities and programs of community colleges, and further promote the autonomy and ability of the institutions to meet the needs of its service area.⁹⁰ He also points out that a policy which attempts to mandate programs, or results in more centralized control over priorities, funds or clientele served ultimately erodes the institution's flexibility and ability to respond to the needs of its community.

In 1982, the Committee for Economic Development defined the nature of these collaborative ventures as "a public-private

⁸⁸Inman, D. "Bringing Education to Industry: Implications for Financing Education". Journal of Education Finance Vol. 10. Fall 1984, p. 277.

⁸⁹Ibid. P. 274.

⁹⁰Martorana, S. Et. al. op.cit. p.18.

partnership which means co-operation among individuals and organizations in the private and public sector for mutual benefit". A framework of reciprocity and gains to both sides is assumed to be inherent in mutuality. This would imply a framework of public consensus on community and institutional goals, institutional roles and a clear strategy for action.

In sum, the degree to which the centres contribute to local economic development is clearly a function of two factors; one, the degree to which the centres are able to incorporate all of the resources of the college within their day to day activities; and two, the extent to which the application of these resources addresses the overall goals and issues at large within the communities they serve. Essentially, the cumulative value of these resources represent a valuable community institution and community tool.

There are also some points to ponder from the regional planning perspective. Clearly, it is not the sheer number of new businesses being created which constitutes development but rather some distinctions have to be made as to what types of businesses are being created. Using a series of criteria, Vesper has tried to identify which types of new business start up can contribute the most, in terms of long term employment, innovation, and economic activity.⁹¹ He has differentiated between both the long and short term impacts that various types of new businesses have on an economy.

Further, it is not clear that an overall increase in the

⁹¹Vesper, op.cit. pp. 8-15.

number of owner/operator small businesses constitute more wealth within a region. The union of the International Woodworkers Of America, I.W.A. has reported, for example, that in many cases, those individuals now called owner/operators of small business are actually in a less fortunate position than as employees. For example, truck drivers in large companies have been laid off and encouraged to purchase the truck from the company. They are then re-hired on a contract basis to do the same job. The somewhat disturbing difference is that this individual now has assumed all of the risk, the capital deficit for the truck, and in this new state of "self-employment" has fewer benefits in terms of unemployment insurance, health and welfare benefits, a pension plan, and overall job security.⁹²

To carry this point one step further, state funding of these enterprise development centres, which facilitate and encourage this increase of owner/operator types of small businesses, is in many respects a new and more sophisticated form of subsidizing quasi-vocational education. It is thus a somewhat disguised technique for a capitalist society to promote profit taking by the large corporation through lower labour costs.⁹³

As well, for a number of reasons, it is not altogether clear that this sudden increase in the sheer number of small

⁹²Perry, Clay, Legislative Director, Public Relations Officer, I.W.A., Personal Interview, January 06, 1987, Vancouver.

⁹³This concept has been well reviewed in the context of vocational education by Baran, P.A. And Sweezy, P.M. Monopoly Capital New York, Monthly Review Press, 1966.

businesses in our society, reflects an actual increase in wealth. Marjorie Odle, a consultant to the Small Business Administration in the U.S. has suggested that while the number of new firms is up, the role of small business as the economy's cutting edge, may be greatly exaggerated; "Small businesses' share of new jobs depends upon how big business is performing. The share of jobs created is a much-touted statistic, but it isn't very significant."⁹⁴ Odle further argues that while small businesses have created the majority of new jobs in recent years, their relative performance is more significant of the woes of large manufacturers than to the achievements of entrepreneurs.

These caveats in many ways reflect the distance that educational institutes have maintained from the "real world". Clearly, any policy which seeks to move the two closer together evokes some response from the critics. At the same time, however, education and business have clearly different motives and while some collaboration may be possible, the two remain on separate tracks in terms of their purposes and objectives.

2.6.6. Characteristics of the Model.

The model EDC would contribute to a process of local economic development in at least three dimensions. One, in the provision of affordable and useful education and assistance to the small business community, the centre would offer business

⁹⁴Levinson, Marc, "Small Business: Myth and Reality", Dun's Business Month Special Report, September, 1985. p.32.

assistance and know-how to the increasingly important small business sector. Two, in their association with the colleges, the centres could be pivotal in the development of a student body with entrepreneurial attitudes and enhanced business skills. Three, in that the colleges are regional actors representing spatial boundaries, a community of values, social interactions and economic interdependencies, the EDC would assist in the identification of opportunities for the region and facilitate the training to capitalize on those opportunities.

Based on what we know from the past, U.S. experience and the objectives noted earlier, a model EDC facilitating local economic development would exhibit the following characteristics. This information is summarized in Figure 1.

1. A strong community based model of operation with an active Board of Directors with a policy making capacity. An active community lay or advisory board would also be available for the centre staff and the client groups. This is especially important in that colleges represent a region. The board would provide an opportunity for all municipalities within the region to express their economic needs.
2. The centre would be integrated with other actors and agencies involved in local economic development on a regular basis. Ideally, this interaction would have occurred prior to the establishment of the centre thus establishing a clear role for the centre.
3. In conjunction with this group, the centre would have developed an assessment of community needs and an economic development strategy outlining key industries, opportunities for future growth, and priorities.
4. As the colleges are regional actors, the strategy would incorporate plans for best utilization and further development of transportation corridors and linkages, natural resources and demographic trends.
5. The centre's role within the community would be highly proactive and the manager would have a clear idea of what types of industries or activities were being pursued by the respective communities at large.
6. The centre would offer highly flexible and responsive

educational services including counselling, networking, and an outreach program to the small business community.

7. The centre would have developed a clear market plan, a timetable implementation and an self-evaluative technique.

8. The centre would have a clearly defined target group or market, and a clear idea of how that group could best be reached.

9. A high degree of integration with regular college curricula. This would include the regular interaction of college faculty, instructors, students, centre staff and clients.

FIGURE 1: THE MODEL

DEL

<u>LOCAL ECONOMIC DEVELOPMENT</u>					
	Import Replacement Product Development	Financial Matchmaking	Target to Help/ Not Help	Community Support With Expression of Some Community Goals	Regional Support and Input
MODEL	<ul style="list-style-type: none">- Consumer linkages study- Identification of products and services now imported which could be produced locally	<ul style="list-style-type: none">- Networking club- Investors matchmaking process for local investors and local entrepreneurs	<ul style="list-style-type: none">- Specific industries, products cited as locally viable- Further processing of primary resource- Efforts to identify and reach group with high disposable income, savings, etc.	<ul style="list-style-type: none">- CDC with set of measurable objectives- Identification of opportunities, special needs group	<ul style="list-style-type: none">- Recognition of local institutions as local and regional tools- Some effort to use the institutions to address local needs (ie: new college program)- Regional committee to develop regional development strategy, ie: common tourism theme, vs each community having an individual strategy

SMALL BUSINESS EDUCATIONAL SERVICES

PROMOTION OF ENTREPRENEURSHIP

Dynamic and Flexible Delivery of Educational Services	Needs Assessment	Specific Client Services	Investment Club	Business Skills, Exposure to Role Models	Training and Development	Reference Materials
<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Detailed review of community needs	<ul style="list-style-type: none">- Topic or need oriented training using student/instructor exercises- Learning situation for entrepreneur vs service situation	<ul style="list-style-type: none">- Forum for social and professional networking- Entrepreneurs club, networking club	<ul style="list-style-type: none">- Access to other entrepreneurs through review panel, networking club	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Library access- Certain classes

COLLEGE INTEGRATION

Curriculum Development	Course Advisory Committee Involvement with Centre	Faculty Involvement	Student Role
<ul style="list-style-type: none">- Input from community, centre manager to curriculum development/enhancement, programs which reflect local economic development opportunities	<ul style="list-style-type: none">- Centre manager member of business courses and other relevant course advisory committees	<ul style="list-style-type: none">- Interaction between courses - lectures, and students' assignments and small business skills, ie: marketing plans for company feasibility study, cash flow analysis	<ul style="list-style-type: none">- Practical and experiential learning exercises, exposure to entrepreneurs in the latter's own environment- Awareness of opportunities, strategies, import replacement, etc.

Summary

The chapter has identified a role for a college-based EDC. The centre's primary contributions to the process of local economic development includes enhanced small business skills and entrepreneurship. In its recognition of the region as a cohesive economic actor, the centre could also play a catalytic role with other community members in the identification of import replacement strategies and in product or export development opportunities.

Three objectives for the centres have been identified as follows; to deliver highly responsive and flexible educational services to the small business sector; to establish a close and interactive relationship between the colleges and the small business sector in order to encourage experiential learning and enhanced levels of entrepreneurship among the students, and to identify and facilitate the training for local economic development opportunities.

The community and regional focus of the college render it a useful community tool and an ideal agency through which to locate an enterprise development centre. The chapter closes with a discussion of a model EDC and a summary of the characteristics and objectives of that model.

CHAPTER THREE

THE METHOD AND CRITERIA FOR EVALUATION.

Having established a role and a clear set of objectives for a college-based EDC, the reminder of the thesis will be concerned with an evaluation of eight EDC recently established by the colleges of B.C. The purpose of this chapter is to identify the method and criteria for the evaluation.

3.1. Potential Methods of Program Evaluation.

The evaluation of a particular program involves a retrospective review of that program in order to determine some guide to the future. It questions the administration of the program, the extent to which it has achieved its objectives and at what costs. The process is useful in that future such programs, perhaps designed to address similar problems, can learn from past program efforts. In the case of public sector programs, it is also essential if policy makers are to remain accountable.

Poland has identified three main themes in program evaluation;⁹⁵ the use of controlled experiments within the context of a research design; an evaluation of cost-effectiveness with an explicit focus on program objectives; and the use of secondary criteria, which measures the inputs, outputs and the process of the program.

Social scientists face limitations in making program

⁹⁵Poland, Orville, "Program Evaluation and Administrative Theory", Policy Administration Review August, 1974. pp.333-338.

evaluations given their inability to undertake controlled experiments. As a result, even when intended changes do emerge and are thought to be a result of a particular program, analysts are hard pressed to show with social science methods that the program itself effected the desired change.

A classic example of this problem is the imposition of a lower speed limit to reduce the number of automobile accident fatalities. Following such an imposition in Connecticut, the number of such fatalities did in fact decline from 324 to 284; however, a careful statistical study was unable to conclude that this decline was in fact caused by a lower speed rate.⁹⁶ While analysts concur that the sheer number of exogenous and non-related factors may minimize the potential impact any government program may have, they are also agreed that social scientist are limited in their ability to provide useful program evaluations.⁹⁷

An analysis based on the realization of goals, relative to the cost is equally constrained. In a situation of multiple goals, the process of disentanglement, identification and the subsequent weight assignment of each goal is a tedious one which may also be fraught with errors and misjudgements. Scientists employing this method are frequently forced to wrestle with questions of efficiency versus effectiveness, and a single

⁹⁶Campbell, D. & L. Ross, "The Connecticut Crackdown on Speeding: Time Series Data in Quasi-Experimental Analysis" Law and Society Review August 3, 1968, pp.33-53.

⁹⁷Williams, Walter, Social Policy Research and Analysis New York, Elsevier Press, 1971. Also, Yehezkel Dror, Ventures in Policy Science New York, Elsevier Press, 1971.

solution may rate very differently in each of these criteria. For example, a program may be highly effective, say, in terms of its goal of keeping the streets clean; however, it may lack effectiveness in terms of costs. All sorts of questions must then be addressed, such as appropriateness, desirability of results, and so on.

The third theme in program evaluation involves the use of secondary criteria. In this method, the analyst uses criteria which correlates with that which one wishes to evaluate in terms of outputs and the process of the program.⁹⁸ One may wish to evaluate a program for efficiency but be unable to conceptualize and measure efficiency outputs. Thus, other criteria which correlates to efficiency is used. It is a common technique for evaluation of educational programs. For example, school systems are evaluated not in terms of net output, for that is obviously very difficult to measure, but in terms of criteria correlated to outputs, such as student-teacher ratios, the value of the jobs obtained by graduates, the number of books in the library, and so forth. Similarly, the educational process is evaluated in terms of the structure of the class and curricula and the ability to retain students.

⁹⁸Yehezkel Dror, Ventures in Policy Sciences New York Elsevier Press, 1971.

3.2. Methods For Evaluation in the Thesis.

The evaluative framework for this thesis lies primarily within the context of this third program evaluation theme. Results from a controlled experiment, measuring the success rate of EDC sponsored new businesses, relative to those not receiving counselling would clearly be limited: there are too many variables which could not be accounted for, and not enough time has elapsed for impacts to be measurable.

An economic evaluation could be done; however, more time series data is required. Such a measure would reflect new business startups, calculate the increase in sales of existing counselled businesses, new jobs, increased profits, or new investment capital. A more comprehensive economic evaluation would include some measure of indirect or induced benefits and costs.⁹⁹ Again, more time is needed for these effects to be evident.

More importantly, given the nature of the educational and counselling services being offered by the EDCs, it is very difficult to correlate the hours of counselling to the creation of a new business. Primarily, at what stage in the counselling of an entrepreneurial venture can a centre take credit for the establishment of that new business: one hour? Five hours? Fifteen hours? A list of new businesses and new jobs created for

⁹⁹Indirect benefits include those changes in the value of local production generated by the centres through the sales and purchasing linkages of the newly created businesses as well as induced benefits by newly created jobs. It would also include a measure of the displacement costs such as those businesses displaced by newly created ones, or jobs considered redundant because of new technology, and so on.

each hour of counselling would thus be misleading and non-representative.

It is also clear that the mere establishment of a new business, as a sole criterion, is an inadequate measure for success of this particular program; some measure of mortality, profit margins and displacement of other businesses must also be taken into account. All of these measures may be possible; however, too little time has elapsed for such an evaluation. A more effective strategy to evaluate the impact and activities of the centres at this time may be to focus on the activities of the centres and their objectives.

A literature search was conducted to determine (a) the role and objectives of an EDC, (b) the original objectives of the LERD fund, and (c) the extent to which practical and applied learning exercises can be incorporated within the functions of a learning institution. This information was used to compile the so called secondary criteria, which was then assembled in the form of a model college-based enterprise development centre which held local economic development as an objective. Some assessments as to the degree to which the EDCs included in this study resemble this ideal model, constitute the basis of the conclusions of the thesis.

The model identified four particular areas of focus; the process of local economic development and the creation of new wealth, the delivery of educational services to the small business community, the integration of the centres to their respective colleges, and the promotion of entrepreneurship. Some assessments as to the extent to which the day to day activities

of the centres contribute to those four areas constitutes the basis of the evaluation.

Four sets of questions were developed and used in a series of semi-structured, open ended interviews. (These questions are included as Appendix I). The interviews were conducted between the months of September and December of 1986 and included field visits to the following eight enterprise development centres.

1. Capilano College, North Vancouver.
North Shore Development Centre.
2. Cariboo College, Kamloops.
Business Development Centre.
3. College of New Caledonia, Prince George.
Small Business Resource Centre.
4. Douglas College, New Westminster.
Centre for Enterprise Development.
5. East Kootenay Community College, Castlegar.
Business and Industry Development Centre.
6. Fraser Valley College, Chilliwack,
The Enterprise Centre.
7. Malaspina College, Nanaimo.
Nanaimo Enterprise Development Centre.
8. Selkirk College, Cranbrook.
West Kootenay Enterprise Development Centre.

Those interviewed included the centre managers, policy makers within the Ministry of Advanced Education, and community members with an interest in the enterprise centres, bankers, members of the centres' boards, and members from the small business community. (Refer to Appendix II for a complete list of those interviewed).

The criteria for the selection of these eight centres out of a possible fifteen was twofold. As a prime impetus of the study was a generic interest in regional development theories

and strategies, an attempt was made to include centres which were located within a regional, hinterland context versus an urban core such as the lower mainland. An effort was also made to provide some spatial representation of centres around the province as opposed to selecting centres from the lower mainland where a total of seven EDCs exist. Second, only those centres which had been operating for at least six months were included.

CHAPTER FOUR

THE BRITISH COLUMBIA FRAMEWORK

In an institutional framework designed to facilitate a regional approach to planning and local economic development, several policy concepts would be evident. Primarily, an explicit intent would be evident to enable co-ordinated decisions among municipalities sharing a sub-regional or regional area. In that the local control over the institutions is intrinsic to the concept of local economic development, an effort to decentralize the institutions would be also be evident. The purpose of this chapter is to examine the B.C. development and planning framework, as well as the administration and governing legislation of the community colleges in order to ascertain if such a regional and local development framework exists. The chapter begins with a review of the background history leading up to the establishment of the LERD fund.

4.1. The Background and Objectives of the LERD Fund.

A series of reports and events were instrumental in the were instrumental in the establishment of the LERD fund. Primarily, active community groups, including some of the colleges, exposed the need for increased college involvement in local economic development issues. This need was confirmed by an advisory committee set up to discuss the role of continuing education in economic development and youth unemployment. A third incentive for the development of the policy was the increasing realization that the educational needs of a significant economic sector, i.e. small business, were not

being addressed. These incentives will be discussed in detail.

4.1.1. Local Community Action Groups.

Two particular community organizations played a key role in establishing the framework for the eventual LERD fund, and in both situations the community colleges were active players in the pursuit of an economic development strategy. The first, the Royal City Development Organization, was established in January, 1984. Representatives from New Westminster's business community, citizen's associations, industry, education, labour, and professional groups met, formed a local planning group, and adopted the following mission statement:

...the achievement of a sustained growth of employment opportunities within the Royal City, through a community supported economic development program.

The group attempted to identify specific community based projects which would enhance the quality of life in the area through support from government, the private sector, volunteers and community groups. Support was also offered by Douglas College in the form of college resources. Committees were struck and an economic development strategy proposed which included new growth prospects and marketing needs. A local "job club" and an unemployment action centre were established.¹⁰⁰

The second group was the Nanaimo Downtown Redevelopment Organization. Community members similarly formed a local planning group to address the issues of a declining downtown

¹⁰⁰Ministry of Education, Collaboration for Local Economic Development: The Role of Public Educational Institutions. Victoria, 1985.

core.

In both the Nanaimo and New Westminster situations, the community colleges were active players in the pursuit of an economic development strategy. As these community groups proceeded to develop the strategies, it became evident that a significant training component was required for implementation of the strategy. The colleges recognized the opportunities and were interested, yet constrained because of financial restrictions. The only available option was that of diverting staff from other teaching duties but which at that time did not appear as feasible.

4.1.2. Public Education and Local Economic Development.

In March of 1985, the Advisory Committee on Continuing Education's Role in Economic Development and Youth Employment submitted a final report to the Deputy Minister of Education, Collaboration for Local Economic Development: The Role of Public Educational Institutions.¹⁰¹ The report cited four trends in the current economic climate: the increasing importance of medium and small size businesses in job creation; the importance of locally based diversification; the local opportunities available for import replacement; and the requirement for entrepreneurial initiatives in economic transition. The committee argued that collectively, these trends justified and required the involvement of the public educational institutions

¹⁰¹Minister of Education, Collaboration for Local Economic Development: The Role of Public Educational Institutions. Victoria, 1985.

in local economic development.

The report included specific examples of the role that educational institutions had played in local economic development initiatives across the province to date. It also appealed for support for a more flexible and responsive educational delivery system, arguing that the traditional structuring and scheduling of business courses and programs did not address the existing community demands.¹⁰² Rather, short courses, seminars, workshops and enterprise specific programs were suggested.

Four specific recommendations were proposed for the Ministry to consider:

1. The Ministry affirm the local economic development activities of the public educational institutions and the mandate for community access to these institutions.
2. The Ministry promote the public educational institutions' non-traditional role (i.e. non-classroom based) in local communities by changing the finance formula in ways to give recognition to and allow for flexible programming responses to meet specific needs of individuals and groups involved in local economic development.
3. The Ministry of Education approach other Ministries to outline the concepts and practices detailed in this report with the objectives of: (a) seeking interdepartmental recognition for public educational institutions' roles as creative working partners in the current strategy for provincial economic renewal and employment creation; and (b) creating a funding category for Local Economic Development from which public educational institutions might draw funds for innovative collaborative projects that would enhance institutional capacity to serve local economic development objectives.
4. The Ministry establish a consultative committee whose function would be to: (a) prepare specific elements, criteria and categories for incorporation into the finance formula as suggested in these recommendations; and (b) prepare a detailed prospectus for the Local Economic Development Fund as suggested

¹⁰²Ministry of Education, op.cit. p.9.

in these recommendations.

Two comments in the report are particularly noteworthy. First, the committee recognized the importance of the degree to which a community based, participatory form of development was occurring.

Entrepreneurial initiatives that are underway currently in communities throughout the province include some that are forging new forms of collaboration and co-operation among business, educational, social and government interests.

Second, the report encouraged the Ministry to support the local economic development activity of the college and school districts through fiscal formula recognition of the educational component of these efforts.

4.1.3. The Educational Requirements of the Small Business Sector

A third incentive for the establishment of this fund emerged as a result of the sluggish economic climate in the province. Rising unemployment and a swelling trade deficit were clear symptoms of structural problems. As well, the traditional and excessive reliance on the narrow export base of forest products had, in the face of a declining export market, resulted in a future outlook for growth which was considerably lower than that experienced in the past. While still important, it was becoming increasingly evident that large corporations and resource industry concerns would no longer dominate the economic landscape to the extent that they had in the past.

Small business failure rates, however, continue to be high and significant personal and economic losses to society have accrued as a result. Studies in the U.S. consistently identify

the prime weakness as the lack of entrepreneurial and business skills.¹⁰³ The number of small business management courses offered through the various public and private organizations has increased dramatically; however, business failures rates have not appreciably declined.¹⁰⁴ Thus, while the importance of small business to the provincial economy as a whole continues to increase, the gap between the required level of information and skill in the small business sector remains.

A third purpose for the establishment of the LERD fund, therefore, was to enable the colleges to accommodate and address the needs of this vital sector of the economy in a more flexible and responsive way.

4.1.4. The Establishment of the LERD Fund.

In June, 1985, then Minister of Education Jack Heinrich announced a \$5.8 million fund which was to finance the involvement of colleges and institutes in projects which contributed to economic development in their areas.¹⁰⁵ In announcing the fund, Heinrich noted:

¹⁰³McMullan, W, "University Innovation Centres and the Entrepreneurship Knowledge Gap", The Journal of Small Business Canada Volume 2, Number 4, Spring 1985. pp. 3 - 16.

¹⁰⁴Dainow, Robert, "Training and Education of Entrepreneurs: The Current State of the Literature", The Journal of Small Business and Entrepreneurship Vol. 3, No. 4. Spring 1986. pp. 10-23.

¹⁰⁵A reorganization of government functions in March 1986 resulted in the splitting of the responsibilities of this Ministry between two departments: the Ministry of Education and the Ministry of Post- Secondary Education. The latter was then responsible for this fund. The new cabinet of November 1986 has renamed this Ministry to that of Advanced Education and Job Training.

Our aim is to encourage creative development programs that will allow colleges and institutes to build on their particular strengths and expertise matching them with the needs of local industry and business.

The institutions were encouraged to access the fund through proposals which included specialized service training to resource industries, projects that would help in the transfer of skills and techniques to the business community, and projects that would improve the production of goods and services. As well, proposals which entailed the involvement of municipal government, the province's small business sector and entrepreneurs were suggested.

During the application period nearly two hundred and fifty projects were proposed with a total value in excess of 40 million dollars requested. Sixty one projects were eventually approved, with a total of \$5,518,400.00 allocated.

Certain stipulations, however, were issued along with the LERD money. Primarily, the funds were to be regarded as seed money to enable the colleges to become involved with local economic development initiatives. The intent was that these initiatives would ultimately become self supporting. Local economic development ventures, however, were not to be in direct competition with the private sector. Finally, all of the monies in the fund were to be allocated by the end of the fiscal year.

Thirteen of the twenty colleges and institutes initiated Enterprise Development Centres under this fund. These development centres were perceived to be an immediate and visible way for the college to address some of the economic needs of their communities.

The first in a series of two funding allocations were made for 1985/86 under the LERD grant. The amounts ranged from \$117,000 to \$184,000, depending on the amount requested in the respective college's proposal. An additional \$80,000 was allocated under the Excellence in Education fund in the following fiscal year. (Refer to Appendix 1 for the exact allotment of funds). This second allotment of funds was provided to assist the EDC in achieving self sufficiency within, it was thought, six months.

Simultaneous to these events, the Ministry of Industry and Small Business Development had developed a proposal requesting \$12 million to establish twenty business development centres across the province.¹⁰⁶ The proposed locations were very similar to those established later on; however, the projected period for their cost-recoverable status was three years. This proposal, by that point a cabinet document, was rejected on the basis of "too much too late".¹⁰⁷

When the EDCs were established under the Ministry of Post-Secondary Education, it was assumed that they would achieve two particular goals. First, during the period of restraint and cutbacks, the colleges, in their attempts to "stay alive 'till 85", had assumed something of an introspective role. The highly visible and directly responsive EDC would provide an opportunity

¹⁰⁶This Ministry has since been renamed the Ministry Of Economic Development.

¹⁰⁷Blane McIntosh, Former Co-ordinator of Business Programs, Ministry of Post-Secondary Education, Personal Communication, September 16, 1986. Victoria.

for the colleges to initiate some community action.

The second goal was more long range. It was assumed that the functions of the centre would be broadened to include and complement those courses and programs being offered in the regular college curriculum. As well, it was assumed that faculty members from all corners of the college would eventually become involved.

In sum, three particular objectives are evident in the policy to fund the colleges' involvement in local economic development activities. Primarily, two community based action groups, in their attempts to revitalize their community's economic base, revealed an important need for the involvement of their respective colleges. Second, an advisory committee with representative members from the colleges and the educational community at large confirmed this need and requested fiscal recognition. Finally, the traditional small business programs within the college curricula were considered to be an inadequate method by which to meet the needs of this increasingly vital economic sector. It was hoped that money from this fund could be used to provide a more flexible and responsive delivery system for the educational needs of this sector.

4.2. Recent Regional Development Policies.

As noted at the onset of the thesis, the establishment of the LERD fund was somewhat innovative in that it provided development funds to an agency with a regional mandate. The following brief review of changes to regional development policy in the province will reflect why the LERD fund is potentially

noteworthy.

For a brief period of time, large scale planning did occur in B.C. and was administered via the Regional Districts. It was an attempt to provide a framework for detailed private and public sector investment and management decisions. The regional planning function of the regional districts was a useful vehicle:¹⁰⁸

"To examine all facets and development options for an area, thereby maximizing economic and other benefits, to allow for a choice of development alternatives for the sub-region, to encourage co-ordinated decisions among municipalities and rural areas towards achievement of a common goal, to recognize the economic, service, environmental links and interdependencies between rural areas and municipalities, to allow for better decisions by identifying within a larger context sound land use and development options.

Some positive initiatives were evident in 1977, during the days of the Regional Industrial Development Committee. This program was a joint provincial (Minister of Industry and Small Business) and federal venture. Funding was provided on a three year basis on a regional basis, adhering to the regional district boundaries.

In 1983 the Bennett government introduced a series of initiatives which restructured the practice of regional planning across the province. Most evident was the elimination of the Community and Regional Resource Management Committees. These formal coordinating and policy development bodies attempted to resolve conflicts at the regional level and to promote regional

¹⁰⁸MacNeil, G.E. Planning Program Directions and Issues Arising from Bill No. 9. Regional District of Central Kootenay, March 1984.

and community development which was based on a co-operative technique. Within this restructuring process Bill 9 was introduced, which removed the regulatory requirements for regional plans and many other powers of the regional districts.¹⁰⁹

A plethora of ad hoc and centralized development policies followed. First was the establishment of the Business Information Centres. They were intended to be one stop information centres which offered all of the information required by an investor prior to making an investment decision. Under this program, money was given to the local Chamber of Commerce to assimilate and make this information available.

Later came the Partners in Enterprise program introduced in 1985 by Bill Ritchie, Minister of Municipal Affairs. The PIE program provided money under a cost sharing formula based on population strictly on a municipal basis. Many municipalities were enticed to break away from the regional districts and apply for economic development funding under this program. This loss of revenue further restricted the capacities of the regional districts.¹¹⁰

A series of brochures, literature, and do-it-yourself-manuals, teaching the basics of local or community economic

¹⁰⁹"Ending Planning: A Step Backward" Times-Colonist Victoria, editorial page, August 3, 1983.

¹¹⁰Rino Elverhoy, Economic Development officer, Thompson-Nicola Regional District, Personal Interview, Kamloops, October 21, 1986.

development appeared on the scene.¹¹¹ They were aimed at the layman, local politicians and the municipalities and were prepared and delivered by various Ministries via one day seminars in an effort to foster the process of local economic development.

An existing framework for regional planning, priority setting and co-operative development is thus non-existent in the province at present. In its attempts to foster a vigorous competitive market, the spirit of municipalities working together on development strategies has, by necessity and in competition for provincial dollars, all but disappeared. The impacts of such a strategy may best be understood in the context of the tourism industry. Many communities in the interior are competing to attain the provincially labelled "tourist destination points". Such an honour provides for promotional benefits, provincial endorsement and other financial advantages. Clearly, not all communities can snag this title, yet the value of doing so is high enough that few can afford the risks involved in developing a regional and co-operative approach to developing the industry. A similar situation exists with respect to other industries, most pointedly, the coal industry.¹¹²

In sum, a regional approach to planning and development includes the provision of policies which attempt to co-ordinate

¹¹¹ They were, for example, Practical Approaches For Municipal Economic Development 1985 produced as a joint effort by the Economic Developers Association, of The Ministry of Industry and Small Business Development and The Ministry of Municipal Affairs. Also, the Regional Districts produced and distributed a "how to" account of economic development.

¹¹² Giobbins, R. & L. Di Marzo, Coal and Public Policy: A Framework For Understanding Canada West Foundation, June 1979.

decisions among municipalities sharing the same sub-regional or regional area, in order to maximize the net benefits and development options for that sub-region. The existing political values and attitudes towards development do not encourage or facilitate a regional approach. Indeed, the spirit of these policies coupled with the existing centralized approach tends to discourage such forms of development.

4.2. The College Concept in B.C.

A more rationalized and centralized policy towards education has also prevailed and accompanied this centralized approach to planning in the province in recent years. Consider the evolution of this institution, originally community based and oriented, to its current state of functioning and government.

As early as 1932 concern was being expressed over the few opportunities available to the approximate 66% of those students who did not finish high school, or seek further education.¹¹³ At that time, the only opportunities for further education in the province were UBC and Victoria College (the fore-runner of today's University of Victoria), a perhaps formidable option for those living in the rural parts of the province.

Concerns over regional education disparities were again raised in 1945 by Dr. Maxwell Cameron. "Expenditure, ability and efforts of rural school districts are characterized by extreme

¹¹³Knotts, J. M.A. Thesis, The Junior College in British Columbia, Stanford University, 1932. p.46.

inequality; inequality...of opportunity also characterizes our school system."¹¹⁴

Following his appointment as President of UBC, John Macdonald, along with several faculty members, commenced a study to determine the long term needs of post-secondary education in B.C.¹¹⁵ The findings of the study were catalytic in the enabling legislation which followed. Macdonald identified two requirements for post-secondary educational institutions of high standing in B.C.: self government, in terms of planning and programming, and topical and spatial diversification.

The first enabling legislation ensured local autonomy. The 1963 Public Schools Act Amendment enabled the school boards to establish, maintain, operate and govern the colleges. As well, a community focus was ensured by requiring that a local referendum with a commitment of local financing, be passed. By 1975 there were 14 colleges, and their community focus was clearly explicit. They built their own buildings, designed their own programs and established their own directives.¹¹⁶

A policy of comprehensive curricula and an open door admission policies were also established. In the early 1970's, the vocational and trade institutions were merged within the college functions. The colleges in B.C. also offer students the

¹¹⁴Cameron, M. A report of the Commission of Inquiry into Educational Finance. P.12.

¹¹⁵Macdonald, J. Higher Education in British Columbia and a Plan for the Future. UBC Press, Vancouver 1962.

¹¹⁶Dennison, J. & P. Gallagher, Canada's Community Colleges: A Critical Analysis. UBC Press, 1986. p.91..

first two years of a university degree program in a University Transfer Program, (UTP). The institutions were, therefore, fully comprehensive; i.e., college programs were available in a wide variety of areas within a single institution, including career/technical, academic, vocational and basic upgrading. They were by all accounts an overwhelming success.¹¹⁷

Gradually, the colleges began to experience shortages of both capital and operating money, and the provincial governments increasingly assumed more of the share of these costs. They also imposed increasing regulatory control with a larger college bureaucracy to monitor college development.¹¹⁸ The colleges were beginning to lose their independence and local autonomy.

The College and Provincial Institute Act was passed in September 1977. It essentially provided 100% government funding to the colleges and centralized such things as curriculum development and financial decision-making. Later, legislation was passed which resulted in all members of the college and institute board being appointed by Orders-in-Council to serve during pleasure of the Minister. This further reduced community involvement in the governance of their colleges.

In the 1982-1987 Statement of Goals and Objectives released by the Ministry, a somewhat radical departure became evident.¹¹⁹

¹¹⁷Dennison, J. The Impact of Community Colleges: a study of the college concept in British Columbia. B.C. Research, 1975.

¹¹⁸Gallagher, P. "The Reshaping of British Columbia Colleges" College Canada September, 1984.

¹¹⁹Ministry of Education, Integrated Five Year Planning for the British Columbia College and Institute System. 1982-1987.

The colleges were gradually referred to as a "system" and a new concept of "regional comprehensiveness" was introduced. This implied that a course or college program would now be available somewhere within a specified regional area, which may have included several college regions. Under the wording in the statement of goals, it would thus be possible to remove one of the four basic program areas, (i.e. career/technical, academic, vocational, or basic upgrading), from one institution.

Between the years of 1982 to 1985 significant changes were also made in the ways in which the colleges were funded. Primarily, the overall base budgets were reduced, and the discretionary spending power of the colleges was reduced.

Between 1982 and 1985, a college and institute budget cut of about 8% was imposed. This occurred in a period when inflationary costs had increased by about 17% and student enrollment figures climbed by 11.4 % in the province.¹²⁰

The introduction of funding the colleges via a complex formula further compounded the financial problems for some colleges. In 1983, students in B.C. colleges were converted to funding units, whereby each institution was funded in accordance with the number of the units it processed. Funding to the institutions were thus enrollment driven, using a weighting system. For instance, a funding unit in a university transfer program is valued at 1.2 in the formula; a funding unit in a career or vocational program is worth 2.3. The discretion as to

¹²⁰Kilian, C. School Wars: The Assault on B.C. Education. New Star Books, Vancouver. 1985. p.140.

how many of each type of unit a college processes is clearly a decision of the colleges; however, funding is essentially a function of this formula.¹²¹

Non-credit, community oriented types of courses were not given any credit in the formula, and thus most colleges have reduced or all together cancelled the number of courses offered through community education departments. As a result, all but one college eliminated the position of Dean of Community Services, and blended these reduced functions with those of another department.¹²²

The 1982-1987 mission statement also reflected a diminished importance placed upon academic education, particularly with respect to UTP.¹²³ As well, a sudden interest in program rationalization was apparent. The transfer of what were identified as redundant programs occurred, and a rationalization process occurred.

Indeed, the colleges were cognizant of their increasing vulnerability. "The third college strategy has been to accept that sound and fury are not the only ways to produce change. Colleges noted quickly that public criticism of government often produced retaliatory criticism--with more heat than light. The

¹²¹This MUCH simplified account of the finance formula was provided by Kilian, op.cit. Pp.124-46.

¹²²Douglas College in New Westminster continues to maintain a Dean of Community Services.

¹²³John Watters, College and Institute Educators Association, President, Interview, November 10, 1986, Vancouver.

colleges are very aware of their vulnerability.¹²⁴

A new Mission and Goals Statement was issued in November, 1986.¹²⁵ It recognized that the concept of regional comprehensiveness was weak. Students unable to obtain the programs of their choice within their own region were willing to relocate to gain access to the program. However, they relocated to Vancouver rather than to another college within the regional cluster. Thus, the concept of regional clustering was dropped and the concept of system comprehensiveness endorsed; courses were now required to be available somewhere in the system.

Included in this statement was an explicit commitment of system resources to economic development and renewal. "Goal D: Occupational and Economic Development. The system, in cooperation with provincial and national agencies (both public and private), will contribute to the process of economic renewal and development within the Province."¹²⁶ Gone was the previously explicit emphasis on life-long learning, which had previously been a free standing goal.

4.4. The Inconsistencies.

In sum, this chapter has reviewed the recent policy endorsement for a process of local economic development. As noted, this process entails decentralized control and local autonomy over the institutions and recognition of the regions as

¹²⁴Gallagher, Paul, "The Vanishing Vision" Vancouver Sun Monday February 04, 1985. p.A5.

¹²⁵Ministry of Education, Integrated Five Year Planning for the British Columbia College and Institute System. System Objectives, 1986-1991.

¹²⁶Ibid. p.9.

cohesive economic actors. This endorsement would appear to be evident in the objectives of the LERD fund which was intended to facilitate the colleges involvement in their local economic environments.

At the same time, however, recent policy changes to the institutional arrangements governing regional planning and the community colleges have created a decision making framework which is highly centralized and affords little local control over the resources, economic rents and institutions. The community focus of the college has been rescinded and replaced with a concept known as the "college system" which entails increasingly less decision making authority and local autonomy. Thus, the institution which emerged as an agent to provide spatial and socio-economic democracy, in terms of access to post-secondary education, has been revamped to reflect a more efficient and rationalized service.

This raises a number of inconsistencies with respect to the recent endorsement of local economic development and may suggest one of several points. One, unfamiliarity with the concept as it is described in the literature and reviewed herein. Two, a renewed interest in decentralizing these decision-making functions to the local level with support for a blending of the institutions, social interests and economic goals, and a commitment to pro-active planning and priority setting. Three, the decision to fund the colleges activities in local economic development, while superficially honourable, is ineffectual and vain in the absence of the required legislative infrastructure. The following chapters will attempt to identify which of the three scenerios apply.

Chapter Five

A REVIEW OF THE FINDINGS.

5.1. A Functional Overview of the Centres.

i. Organizational Structure.

From a functional perspective, the EDCs share many commonalities in terms of their organizational structure and the services they offer. With the exception of one, all of the centres operate as divisions of their respective colleges. At Douglas College, the Centre for Enterprise Development has been established as an independent, non-profit society.

In most cases, an individual has been hired on a contract basis to manage and direct the functions of the centre. In one case, (Selkirk College), a faculty member from the business department, was seconded to manage the centre. In another, (College of New Caladonia), a full time faculty member is responsible for the management of the centre, as well as a part-time teaching load in the business department of the college. All centre managers are experienced in business, most as small business owner/operators.

ii. Services.

Projects established under the LERD grant, as noted earlier, were required to adhere to two guidelines; they were not to compete with the private sector, and the money was to be regarded as seed money, to enable the ventures to get off the ground and on the road to self-sufficiency. Most of the centres have opted to fulfill the former of these generally mutually

exclusive goals.¹²⁷ They offer consulting services to help potential entrepreneurs develop business ideas from the first step of focusing the business idea, to business planning and financing, and eventually to business start-up. These services are, for the most part, offered without charge to potential entrepreneurs. The centres allegedly cater to clients who are not in the financial or conceptual position to engage the services of an accountant, lawyer or private sector business consultant.

The centre managers spend between 75-90% of all of their time involved in counselling. The counselling services are largely on a one-to-one basis, between the centre manager and the client. Services are also offered to established business wishing to expand, and to established businesses in trouble. Most centres designed a series of seminars and workshops; however, many discontinued these seminars because of a lack of interest in the community.

iii. Location

With the exception of three EDCs, (Malaspina, Douglas and East Kootenay College), all of the EDC are located off campus. The decision to locate the facilities in a downtown, business environment was a deliberate attempt to merge the functions of the centres with the respective business communities. Of the three on-campus centre managers, one (Malaspina) felt the needs

¹²⁷In the case of one, (CNC) most of the activities of the centre appear to be revenue oriented. Also, the East Kootenay Community College has been actively involved in the pursuit of revenue generating courses. The details are covered in the following pages.

of the community would be better served if the facilities were relocated downtown.

5.2. A Review of the Eight Enterprise Development Centres.

1. North Shore Enterprise Development Centre, Capilano College, North Vancouver.

The North Shore Enterprise Development Centre (NSEDCC) was established by Capilano College in May, 1986. The centre is located within the North Vancouver business area and is responsible to an advisory board consisting of sixteen members. The members are drawn from local businesses, local government, the North Vancouver Chamber of Commerce, the local financial community and Capilano College.

The purpose of the board is to provide overall direction to the centre and to review and approve the plans and budgets prepared by the centre manager. A working committee of five board members provides day to day direction as required. The board has made a firm commitment to provide assistance only to those businesses interested in locating on the north shore.¹²⁸

The centre has identified the following goals:

1. To provide guidance and consultation to would-be entrepreneurs who are considering developing their own businesses.
2. To develop a directory of relevant self-help materials for would-be entrepreneurs.

The centre provides one-on-one assistance to clients,

¹²⁸Bell, Susan, Centre Manager, NSEDCC, Personal Communication, North Vancouver. November 1986.

including business counselling and planning. A series of business development workshops have been developed to bring a small group of potential entrepreneurs together in an effort to "pipeline" them through a series of workshops and seminars. The objective of the workshop is to help these clients produce a viable and professional business plan.

The centre has sponsored a series of business seminars of interest to those actively involved in planning a small business. These seminars were presented by members of the north shore professional community.

In addition, the centre has established a review panel. It consists of a group of professional accountants, lawyers, bankers and consultants who review, at no charge, completed business plans. This panel then prepares written feedback about the plan with advice and suggestions, as appropriate.

The centre has developed a reading room and self-help directory. It contains reference materials, books and articles specific to entrepreneurship and small business development. It contains some data and statistics, e.g. households, population, etc., relevant to the north shore and the greater Vancouver area.

Clients of the NSEDC are able to utilize office space for interviewing and meeting with bankers, potential clients, etc., As well, special arrangements can be made to enable a client to bring in their own computer, have minimal access to a phone, use the offices as a mailing address, or have mail sent out.

The centre is also planning to include students from the college on an on going, day-to-day basis. One member from the

college has been seconded from the business department to identify ways in which the college facilities can liaison with the functions of the centre.

2. Cariboo Business Development Centre Cariboo College, Kamloops

The Cariboo Business Development Centre (CBDC) was established in June 1986 by Cariboo College. The college region comprises the school districts of Kamloops, North-Thompson, Cariboo-Chilcotin, Lillooet and South Cariboo.

The CBDC is located in downtown Kamloops in shared facilities with the Chamber of Commerce and the Thompson-Nicola Manufacturers Association. By October 1986 the centre had a client base of 50 people with a total of 143 visits.¹²⁹ The centre identifies the following objectives:¹³⁰

1. To provide a readily accessible "onestop" facility for prospective businesses. This would include providing; temporary facilities for carrying out the necessary investigation into business opportunities in the area, resource materials and expertise required to conduct economic research, a vehicle for access to and assistance by those individuals or bodies responsible for development decisions such as permits and incentives for business development in the Kamloops region.
2. To facilitate the development of the entrepreneurial skills necessary to optimize the survival and growth of existing and new businesses in the area.
3. To assist in bringing together the economic development resources of Cariboo College and the City of Kamloops in a unique and far more effective strategy, aimed at both small business and industrial expansion in Kamloops.

¹²⁹A client is defined throughout as any individual who has contacted the centre with a business idea or question and who has spent at least one hour on at least one occasion.

¹³⁰Cariboo Business Development Centre, Status Report, September 27, 1986.

4. To provide a flexible business learning centre with an entrepreneurial atmosphere, where business people with common problems can make contact with those who may have solutions.

In addition to these counselling services, the centre identifies the Computer Analysed Market Potential, CAMP, as their most important activity. CAMP is a database which, intended as a decision making tool, is designed to provide easily accessible market research data for new business startups. It will hold census data, business licenses information, municipal information and services and retail sales. The purpose of the service is to assist entrepreneurs in producing an accurate financial picture of the product. In addition, the database can be used to synthetically model the market to produce a series of feasibility studies based on varying market conditions. Furthermore, the information is provided in a single spot, at the centre, thus sparing the client the time to dig it out from a series of government sources and catalogues.

The centre has been an active player with the former Ministry of Lands, Parks and Housing to develop a large riverfront property. The 600 acre former hospital site in the city of Kamloops is known as Tranquille. The plan is to establish the area as an international Asian marketing centre with fly in tours, conventions and holidayers from the Asia. The centre's role in this strategy is to find and attract research and development-type tenants for the complex.

The centre has also attempted to provide an investment match-making service in an effort to link potential investors with entrepreneurs with a viable business plan. A mass mailing

list has been established and can be made available to any client wishing to solicit research and development money. The centre is able to mail out a brief letter which explains the product or service to approximately 250 potential investors within a two hour framework at the clients' request.

The centre has also co-sponsored, along with the Thompson-Nicola Regional District, the Kamloops Discovery Club. Intended as a forum for innovators and investors, the club hosts seminars, meetings, conferences and special speakers in an effort to provide assistance to new entrepreneurs and established businesses. It is also intended to establish a valuable network for potential entrepreneurs and investors within the city of Kamloops.

3. The Enterprise Development Centre College of New Caledonia, Prince George

The EDC at the College of New Caledonia (CNC) was established in March of 1986 and is located in leased facilities in downtown Prince George. The original purpose of the centre was to establish a joint undertaking among private sector and public service agencies which could act as a focal point to encourage entrepreneurial activity and assistance in the formation and maintenance of successful businesses in the Prince George region. The centre is managed by a full-time business instructor from the college who has been granted 40% leave from the college.

The centre is somewhat different from most others included in this study for several reasons. Primarily, the Prince George Regional Development Corporation (PGRDC) has been contracted by the college to assume overall responsibility for the operation

of the centre.¹³¹ A ten member standing committee has been established to provide overall review and direction, with committee members representing the PGRDC, the FBDB, the business community at large and the Northern Institute for Resource Studies. In this particular EDC, therefore, the role of the college is even more limited than that of the other centres.

A second factor renders this centre unique. While an objective of the centre is to assist in the creation of small business, a minimum of drop-in counselling is encouraged. Instead, the centre has attempted to focus its efforts on specific activities.

The nature of these activities raise the third unique characteristic of the centre. While as noted, most centres have not yet resolved the directive of the Minister to achieve self-sufficiency, the EDC at CNC has focused most of its efforts on revenue generating activities.

Finally, it would appear as though the centre has implemented a detailed model of operation based on an assessment of community needs. These activities will be discussed in detail.

Prior to initiating any activities, the centre conducted a detailed needs and situational analysis of the business community of Prince George. A questionnaire was developed and circulated to all businesses to determine what the business training needs were in the city. From the results of the survey,

¹³¹ The CNC, however, retains ongoing title to all of the capital assets.

a list of four series of training seminars was devised and planned for the future.

The Management Skills for Supervisors Program, previously contracted out by the college, is now offered at the centre. The same services are available; however, the program is now sponsored by a particular company. Private individuals, companies or corporations are invited to make application to utilize the centres facilities to sponsor management training.

The centre has established a Micro-Computer Lab from which it conducts workshops and seminars. Similar to the Management Skills for Supervisors Program, the facilities are available to an individual or group. In both cases, a contract employee of the centre conducts the training.

The centre has also been involved in conducting customized seminars for particular companies. For example, a large IBM computer package has just been purchased by the Council of Forest Industries office located in Prince George. The Council contracted with the centre to conduct the training of their employees on this equipment.

The centre is also actively involved in the attempt to develop entrepreneurial skills among the college students. A student account has been established for the two year Business students at CNC. A sum of \$6,000 was raised by the first year students by completing an 8-10 month feasibility study. In the course of doing the feasibility study, student performance was also evaluated and credit earned in a degree program. Money from this fund was used to send students from the second year to the annual conference of the Association of Collegiate

Entrepreneurs, ACE in Los Angeles.¹³²

The North West Venture Club has been established by the centre. It was intended to be a forum to identify potential businesses and economic ventures which are feasible for the region. The centre has also established a young business club of approximately 12-20 young entrepreneurs who meet monthly.

On January 9, 1987 the centre hosted one of North America's most popular business speakers, Tom Peters, co-author of In Search of Excellence and A Passion for Excellence. Tickets for the event were sold by the second year marketing students who were paid-in-kind: a \$10.00 commission went to the student account towards the trip to the upcoming ACE conference.

Apart from the noted links to the business program, faculty from within the college do not appear to be interested in participating in the training activities of the centre.¹³³ There is very little interaction through the course advisory committees or the director of the business department, who the centre manager claims not to have met. When questioned as to why an active role for the college was not pursued by the centre, the centre manager responded that the quality of people in the business department does not facilitate this type of behavior.

¹³²ACE is a non-profit organization in the U.S. It is dedicated to bringing together the resources and information of the world's "entrepreneurially minded young people".

¹³³This information was communicated during a personal interview with the President of the Faculty Association at CNC, Prince George, December 13, 1986. Also, comments made in Asterisk the newsletter of the CNC Faculty Association, 10 October 1986, Volume 6, No. 10. p.4.

4. The Douglas Centre For Enterprise Development Douglas College, New Westminster

The Douglas Centre for Enterprise Development, located on the Douglas College campus, was opened in January 1986. The centre is a non-profit society and is governed by a Board of Directors. The Dean of Community Services at the college is the president of this board.

The centres' legal status is seen to be significant for two reasons. One, as a non-profit society, the centre is set in an entrepreneurial rather than an academic climate. And two, as a separate legal entity, more protection is provided to the college in terms of liability.

The centre manager has identified the following goals for the centre:

1. To help potential entrepreneurs get into business.
2. To help small businesses getting into trouble overcome their problems.
3. To help small businesses expand.
4. To increase economic activity and employment.

The centre currently has an active client base of 515. A total of 27 of those have started businesses and a total of 971 have attended awareness seminars. The total number of clients of the centres' mailing list is 1,700.

The centre has designed a Self-Assessment Questionnaire. It is administered to new clients to assess their suitability as entrepreneurs before they begin to develop a business plan. This questionnaire is designed to assess areas such as personal goals and needs, experience, skills and aptitudes and personal strengths and weaknesses.

In addition to these counselling and seminar services, the centre has been active in the development and establishment of a

program called BC First, a provincial import replacement strategy. The BC First project is an effort to link together companies which are importing products and services from outside the province with other businesses which are capable of producing these same goods and services. The centre has hired two individuals whose primary responsibilities are to identify businesses where these links can be made.

The centre also has a referral service for investors and entrepreneurs. This match-making service has identified over one million dollars in venture capital money; however, no actual matches have been finalized to date.

5. The Enterprise Centre Fraser Valley College, Abbotsford

The Fraser Valley Enterprise Centre was established in January, 1986 as part of the Fraser Valley College. The college region includes Abbotsford, Chilliwack, Hope, Mission and Matsqui. Two campuses serve this region in Chilliwack and Abbotsford, and two centres in Mission and Hope provide further outreach services. The purpose of the centre is to assist those people planning to enter business or an existing business, in making better decisions. The centre is located in a downtown Chilliwack location in an effort to blend the centres' activities with those of the business community.

At the time of the interview, October 1986, the centre had a client base of 160, and cited involvement in 14 new business start ups.

The centre manager identifies three particular categories of clients; (1) the determined entrepreneur/promoter, (2) a

skilled but laid-off contract employee who now serves a single customer, and (3) older individuals with few resources and no other choice of employment. The centre manager feels that the largest number of clients visiting the centre are those in the second category, with those in the third following. The entrepreneur/promoter is the least predominant type of client.

The centre has no formal board structure, although some informal interaction does exist with other economic development actors. The centre manager reports to the Dean of Instruction at Fraser Valley College and indirectly to the College Board.

6. The East Kootenay Business And Industry Development And Training Centre
East Kootenay Community College, Cranbrook

The centre is located on the campus of east Kootenay College at Cranbrook. The centre, established in October 1985, has a client base of 60. The centre has been actively involved in starting five new businesses.

This centre is somewhat unique to the others in that it follows a more systematic and perhaps traditional training program approach. An overall goal of the centre is to "to facilitate the economic growth and renewal of the region by providing training programs, technical expertise and an information bank necessary for a skilled labour management force in business and industry."¹³⁴

The main function of the centre is the development of new

¹³⁴East Kootenay Business and Industry Development And Training Centre.

training programs to meet the needs of the community and the Canada Employment and Immigration Commission.

The most ambitious project initiated by the centre is the Small Business Skill Development Program which is a self-paced and fully modularized training program. Clients are required to purchase the seven part modules and upon completion, are placed in a small business within the East Kootenay region. Participants are exposed to all aspects of running a small business and receive daily supervision by the business owner. Funding under the Canadian Job Strategy program is currently being provided in the form of a salary. There are no academic requirements; however, the applicants are required to possess at least one identifiable skill suitable for a small business.

As well, in October 1986, the centre hosted a tourism and hospitality workshop. A group of local owner/operators from within the industry were invited to go over a suggested Tourism and Hospitality Training Program in order to enlarge on or eliminate certain aspects of the program. The objective of the workshop was to get input from the practitioners and identify the skills and attitudes required to develop a vibrant tourism industry. One faculty member from the college, present at the workshop, is working on the development of such a degree program during a current sabbatical year.

An active pursuit has been launched by the centre in an effort to transfer a series of Fire Fighting Training Programs from the Ministry of Forests to the centre. The plan is to hire part-time instructors under the Canadian Job Strategy and to train employees of the forestry industry. The potential is

expected to be great as there are approximately 3,000 employees as well as 3-400 contractors in the industry, all of whom are required to undergo this type of training.

A future goal of the centre is to establish a Guiding and Outfitting Course. In an effort to assist local entrepreneurs in establishing a tour guide or outfitters business, the course is intended to foster such tourism related businesses in the East Kootenay. The program is to be modelled after the course formerly offered at Northwest College, which was recently discontinued. This plan is currently in the preliminary stages.

The centre is also facilitating a service oriented course for the Fort Steele Historical Society. The short, (two week) comprehensive course includes training in logistical and administrative areas, such as operating a cash register, etc. in an attempt to streamline the training period for the seasonal, and for the most part young, student employees at this local tourist attraction.

7. The Nanaimo Enterprise Development Centre Malaspina College, Nanaimo

The Nanaimo Enterprise Development Centre, (NEDC) was established as a joint effort by the City of Nanaimo and Malaspina College to stimulate new business formation in the Nanaimo area. The centre was designed to accomplish three objectives:

1. To collaborate with all resources of Malaspina College, ...to effectively channel appropriate resources for for enterprise and economic development;
2. To encourage new business formation by assisting entrepreneurs with advice, information, training and contacts within the College and the community;

3. To participate in the economic development opportunities by investigating potential opportunities;
4. To investigate and develop an appropriate physical support facility..."business incubator" to stimulate light manufacturing and fabrication.

The centre is located on campus and houses several other college activities which are focused on local economic development such as the Fast Track Training Program and the International Education functions. The facilities also include four small offices for client use on a short term basis.

The centre is jointly funded by the City of Nanaimo and Malaspina College. The centre manager reports weekly to a community based Management Board, which acts as a liaison between the college and the Nanaimo city council. While many of the board members were previously involved in local economic development issues and activities the centre has, to some extent, formalized these interactions. The board consists of two representatives of the college and two representatives from the city.

In addition, the centre reports to a thirteen member community advisory board which consist of bankers, small business people, and labour representatives. This board plays a consultative and advisory role in the operations of the centre.

The centre manager is a member of the Business and Public Administration Faculty and has done some teaching in the department in the Starting a Small Business Program. In conjunction with other members of this department, an eight month New Enterprise Management Certificate program was developed. As well, some interactions have been established with

other departments such as Environmental Sciences, Greenhouse Technology, Aquaculture and the Vocational Division.

The centre has identified two priority areas for future business ventures: wood remanufacturing industries and aquaculture feed and equipment, and research has been done by the centre to examine the potential for these industries in the region. A decision has been made to not encourage the development of new retail businesses in the the area.

The centre has conducted a detailed self-examination of the results and activities of the centre. The clients were interviewed to determine just what services were being most frequently requested, how satisfied their clientelle was and what their unmet needs were.

The centre is planning to expand both the facilites and the types of services available. An Innovation Place is in the planning phase, and it is intended to be a centre which fosters research and development and knowledge based industries. The facilities will be available to like-minded tenants involved in related reseach, and will offer incubations like services, in terms of shared computer facilities, space, etc.¹³⁵

8. The West Kootenay Enterprise Development Centre, Selkirk College, Castlegar.

Selkirk College is a multi-campus college which serves the school districts of Nelson, Castlegar, Arrow Lakes, Trail and Grand Forks. Three campuses exist at Castlegar, Nelson and

¹³⁵Nanaimo Enterprise Development Centre, Annual Report, July 1985- March 1986.

Rosemont.

The region has experienced severe economic difficulty during the 1981-1986 period. Cominco, the region's largest employer, has modernized and streamlined its operations, and the employed labour force has subsequently declined from a high of 11,080 in 1981 to an estimated 6,500 in 1986, with further reductions expected to occur.¹³⁶

The completion of major hydro-dam projects, the closure of a major plant and restraint and downsizing of the public sector has also contributed to what amounts to high unemployment.

There are a number of locally oriented, two year college programs. They include Forestry Resources, Wildland Recreation, Graphic Communications, and Computer Information Systems. A number of pre-employment programs also exists, including Fine Woodworking and Carpentry, Ski Resort Operation and Management, Technical Drafting and Welding. In many of these programs, however, which have a direct orientation to the local economy, only the first year of the two year program is offered at Selkirk, with the second year being offered at BCIT in Vancouver. Examples include the Electronics and Forestry Programs. The Mining Technology program, clearly a locally relevant program, is not offered in the Kootenay region at all.

There are several economic development agencies operating within the region. In the early 1970's the communities of Trail, Warfield, Rossland, Castlegar, Montrose, Fruitvale and Salmo

¹³⁶Economic Development Commission, Greater Trail Region Economic Development Strategy 1986. Section 3.2.

collectively established the Kootenay Industrial Development Association (KIDA). It was later replaced with the Regional District Economic Development Commission. In 1985, the greater Trail region entered into a Partners-In-Enterprise program with the provincial government. The region has also been designated as a Federal Community Futures region.

In February, 1986, elected officials from municipalities in the east and west Kootenays, along with representatives from the major employers in the region met to discuss the economic conditions of the region. In May, 1986 the college organized an open public meeting to form a Kootenay Development Board.

The centre manager has since been contracted to write the Economic Development Strategy for the City of Castlegar, and electoral districts I and J.

In Nelson, the Kootenay Regional Employment Development Association, KREDA, funded by the Canada Employment and Immigration Commission operates as a non-profit organization. Some of the services offered here are remarkably similar to those of the of the EDC: client counselling, business seminars, business advice, and the distribution of information on government programs and services.

KREDA also has an investment arm, the KREDA Investment Corporation which operates as a venture capital corporation to provide funding to viable enterprises wishing to locate within their defined boundaries.¹³⁷

¹³⁷These boundaries coincide very closely to those of the Central-Kootenay Regional District.

The West Kootenay Enterprise Development Centre was established in January, 1986. It currently has a client data base of 180 people who are or have been actively working on a business plan. The purposes of the centre are to provide support to the economic development activities of the west Kootenay municipal agencies and to serve the entrepreneurial development needs of the small business sector. The centre has identified two particular ways in which to achieve these purposes:¹³⁸

1. By providing assistance to entrepreneurs in the preparation of business proposals.
2. By providing a variety of support services to entrepreneurs.

In addition to the counselling services, the centre has also initiated or been active in several other projects as follows.

The Immersion Program is a two week, in depth experiential learning process intended to give the students comprehensive exposure to the situation of self-employment. During the program, the students do 120 hours of work, 12 hours a day for 5 days a week. Topics to be covered include management, personnel, finance, marketing, operations, bookkeeping, computer applications, tax benefits, etc. A number of "case studies" will also be included in the program. For example, a simulated office accident will occur in the midst of the working day. At that point, emergency first aid will be administered, the required Workers Compensation Board papers will have to be filled out and the associated legal responsibilities of the firm will be

¹³⁸Report to Program Services Division on the Selkirk College West Kootenay Enterprise Development Centre, March 25, 1986.

covered.

The program is being oriented to residents of the communities who are not currently enrolled in a college program. Some screening process is expected to occur; however, the criteria to be used in the process were not available at the time of the interview.

5.3. Analysis of the Existing Structure

Table 2 summarizes the analysis of the centres into the four main areas of interest. It is immediately evident that the most dominant impact of the centres is in their delivery of assistance and skills to the small business sector. In addition to discussing the significance of this dominant focus of the centre, this section summarizes the impacts of the centres to each of the four areas of interest.

FIGURE 2.A.

LOCAL ECONOMIC DEVELOPMENT

	Import Replacement Product Development	Financial Matchmaking	Target to Help/ Not Help	Community Support With Expression of Some Community Goals	Regional Support and Input
MODEL	<ul style="list-style-type: none"> - Consumer linkages study - Identification of products and services now imported which could be produced locally 	<ul style="list-style-type: none"> - Networking club - Investors matchmaking process for local investors and local entrepreneurs 	<ul style="list-style-type: none"> - Specific industries, products cited as locally viable - Further processing of primary resource - Efforts to identify and reach group with high disposable income, savings, etc. 	<ul style="list-style-type: none"> - CDC with set of measurable objectives - Identification of opportunities, special needs group 	<ul style="list-style-type: none"> - Recognition of local institutions as local and regional tools - Some effort to use the institutions to address local needs (ie: new college program) - Regional committee to develop regional development strategy, ie: common tourism theme, vs each community having an individual strategy
CAPILANO			<ul style="list-style-type: none"> - Committed to helping only those locating on the north shore 	<ul style="list-style-type: none"> - Strong commitment to centre given by board 	
CARIBOO		<ul style="list-style-type: none"> - Investment matchmaking 			
CNC					<ul style="list-style-type: none"> - PGRDG has policy making role for centre
DOUGLAS	<ul style="list-style-type: none"> - BC First 	<ul style="list-style-type: none"> - Financial matchmaking 		<ul style="list-style-type: none"> - Community-based board - Regular meetings - Policy makers 	<ul style="list-style-type: none"> - Centre recognizes entire province as being within their mandate
EKCC					<ul style="list-style-type: none"> - Centre manager spends a lot of time travelling to the different communities
FVC					
MALASPINA			<ul style="list-style-type: none"> - Decision to facilitate wood remanufacturing, aquaculture - Not to help start more retail businesses 	<ul style="list-style-type: none"> - City of Nanaimo contributing funding to centre 	<ul style="list-style-type: none"> - Advisory Board - weekly meetings with community actors
SELKIRK				<ul style="list-style-type: none"> - Centre manager writing the City of Castlegar Economic Development Strategy 	<ul style="list-style-type: none"> - Weak board structure - Regional fragmentation

FIGURE 2.B.

SMALL BUSINESS EDUCATIONAL SERVICES

	Dynamic and Flexible Delivery of Educational Services	Needs Assessment	Specific Client Services
MODEL	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 	<ul style="list-style-type: none"> - Detailed review of community needs 	<ul style="list-style-type: none"> - Topic or need oriented training using student/instructor exercises - Learning situation for entrepreneur vs service situation
CAPILANO	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 		<ul style="list-style-type: none"> - Cash flow analysis, business planning - Some office/secretary services
CARIBOO	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 		<ul style="list-style-type: none"> - Business planning - Cash flow analysis - Mass mail-out - Camp - Entrepreneurs quiz
CNC	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 	<ul style="list-style-type: none"> - Detailed needs assessment of the business community's needs 	<ul style="list-style-type: none"> - Tom Peters' seminar
DOUGLAS	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 		<ul style="list-style-type: none"> - Cash flow analysis - Business planning - Self-assessment questionnaire - Short workshops
EKCC	<ul style="list-style-type: none"> - One-to-one counselling - Business counsel 		<ul style="list-style-type: none"> - Cash flow analysis - Business planning
FVC	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 		<ul style="list-style-type: none"> - Centre manager travels to place of business to assist in business planning, cash flow analysis
MALASPINA	<ul style="list-style-type: none"> - One-to-one counselling - Business seminars 	<ul style="list-style-type: none"> - Self-assessment, evaluation of client 	<ul style="list-style-type: none"> - Cash flow analysis - Business planning
SELKIRK	<ul style="list-style-type: none"> - One-to-one seminars - Business seminars 		<ul style="list-style-type: none"> - Immersion program - Cash flow analysis - Business planning

FIGURE 2.C

PROMOTION OF ENTREPRENEURSHIP

	Investment Club	Business Skills, Exposure to Role Models	Training and Development	Reference Materials
MODEL	<ul style="list-style-type: none">- Forum for social and professional networking- Entrepreneurs club, networking club	<ul style="list-style-type: none">- Access to other entrepreneurs through review panel, networking club	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Library access- Certain classes
CAPILANO		<ul style="list-style-type: none">- Review panel- Open house several times per year	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Library in the centre- Office space- Reading room
CARIBOO	<ul style="list-style-type: none">- Kamloops Discovery Club	<ul style="list-style-type: none">- Networking- Counsel with manager	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- FBDB videos- Other videos
CNC			<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Reference materials at the centre- Videos
DOUGLAS	<ul style="list-style-type: none">- Matchmaking services- Networking club	<ul style="list-style-type: none">- Inventors show- Networking- Counselling	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Some printed material- Reference library
EKCC		<ul style="list-style-type: none">- Counsel with manager	<ul style="list-style-type: none">- One-to-one counselling	<ul style="list-style-type: none">- FBDB material, videos
FVC		<ul style="list-style-type: none">- Counsel with manager	<ul style="list-style-type: none">- Cash flow analysis- Business planning	<ul style="list-style-type: none">- Limited reference material
MALASPINA		<ul style="list-style-type: none">- Informal review panel (via referral)	<ul style="list-style-type: none">- One-to-one counselling- Business planning	<ul style="list-style-type: none">- Limited reference material
SELKIRK		<ul style="list-style-type: none">- Counsel with Manager- Immersion program	<ul style="list-style-type: none">- One-to-one counselling- Business seminars	<ul style="list-style-type: none">- Large reference room/reading room

FIGURE 2.D

COLLEGE INTEGRATION

	Curriculum Development	Course Advisory Committee Involvement with Centre	Faculty Involvement	Student Role
MODEL	<ul style="list-style-type: none">- Input from community, centre manager to curriculum development/enhancement, programs which reflect local economic development opportunities	<ul style="list-style-type: none">- Centre manager member of business courses and other relevant course advisory committees	<ul style="list-style-type: none">- Interaction between courses - lectures, and students' assignments and small business skills, ie: marketing plans for company feasibility study, cash flow analysis	<ul style="list-style-type: none">- Practical and experiential learning exercises, exposure to entrepreneurs in the latter's own environment- Awareness of opportunities, strategies, import replacement, etc.
CAPILANO			<ul style="list-style-type: none">- Faculty member seconded	<ul style="list-style-type: none">- Centre manager has plans to identify roles, ways to integrate
CARIBOO				
CNC			<ul style="list-style-type: none">- Centre manager has 60% teaching duties	<ul style="list-style-type: none">- ACE program- Ticket selling for Tom Peters' seminar
DOUGLAS				
EKCC	<ul style="list-style-type: none">- Constitutes the strongest degree of centre's activities- Fire-fighting courses, 7-part modular learning program- Guiding and outfitting program planned- Tourism, hospitality workshop		<ul style="list-style-type: none">- Centre manager, 1 faculty member, 1 programmer, working on developing a tourism and hospitality credit program	
FVC				
MALASPINA				
SELKIRK				

5.3.1. The Local Economic Development Process

Local economic development is a pro-active process which includes the identification of opportunities and the formulation of a strategy to address those opportunities.

The study has shown, however, that few communities appear to be willing or able to formulate strategies intended to initiate key industries or replace imports. While the communities and centres are, in theory, supportive of industries which replace previously imported products, and with the exception of the provincial BC First program initiated by the Douglas Centre for Enterprise Development, no efforts appear to be evident to identify potentially viable non-displacement type of industries. This would seem to be a first step in such a process, and the fact that it is not occurring questions the extent to which local economic development itself is occurring. The introduction of new businesses in a community may or may not produce new "wealth" if other businesses, rendered less competitive in comparison, are forced out of business.

Moreover, a process of local economic development, as reviewed at the onset of this report is not just to facilitate higher incomes but rather to provide employment for those currently under or unemployed. Clearly, not all of those who are currently unemployed will have the skills, attitudes or resources to start their own businesses. A strategy designed to address the needs of such a group should thus attempt to identify and assist that very constituency.

While a process of assisting in the production of a refined business plan, which is acceptable to the lending institutes

would clearly enable an individual entrepreneur a better chance for success when calling, with hat in hand at the bank, and in that respect contribute in terms of new capital in the region, this model does not actively solicit participation from within the community. No effort is made to encourage disenfranchised or unemployed groups to assemble what captial or funding sources they have to establish an enterprise or cooperative venture. In its clearly non-interventionist and reactive nature, this structure misses out on several opportunities for involvement.

For the most part the concept of an EDC, in its current structure, does not reflect any ideological growth on behalf of the policy makers. The centres are, in many ways, the physical embodiment of a laissez-faire economic development strategy. They function in a reactive and non-interventionist way, showing an utmost faith in the powers of the market to rejuvenate the communiti s they serve.

As well, many of the issues raised by the regional theorists and reviewed in the thesis continue to exist and undermine the extent to which the market forces can initiate a process of economic development. There are no apparent efforts being made to initiate any structural changes with respect to capturing any of the resource rents, encouraging more progressive forms of business ownership, such as community owned corporations or not-for-profit corporations. Even the most carefully guided and well conceived business plan will come to a grinding halt in the absence of access to venture capital. At the same time, massive capital outflows and leakages continue to occur in the form of resource rents.

The reactive nature of the centres would suggest that the only reason why a diversified and vibrant small business sector has not emerged in these regions is the lack of business skills. Obviously, other factors such as access to venture capital funds, and the ability to produce some service of value has to be evident. The centres rely entirely on the ability of the individuals themselves to identify opportunities and do not put forth an effort to avoid displacing other businesses.

From a regional perspective, while some of the centres have clearly established and formalized links with their communities through advisory or policy boards, others appear to be somewhat isolated from any community structure. The best examples of formalized interactions are the centres at Malaspina, Capilano and Douglas Colleges; these centres also have a more clearly defined strategy of the industries they are attempting to foster and develop, and a more pro-active role in general. Given the way in which the centres function in their respective regions, however, there appears to be very little support for the concept of the region as a cohesive economic unit, one where all institutions and cash transactions are recognized as being part of a larger whole. There is, therefore, little support for the concept of regional development and balanced growth.

The extent to which this support is lacking is evident in two recent events: the potential sale of West Kootenay Power and Light Company to a non-local and foreign company, and the sale of the Bank of B.C. to a foreign consortium. In both instances, a potentially valuable local resource and institution, respectively, were sold to the highest bidder, rather than being

preserved as local resources. We have seen other examples of policies in the past where governments have provided policy and/or fiscal support in order to maintain local or national control of both resources and institutions. Such policies include the National Energy Policy and the Foreign Investment Review Agency, two former federal polices. The unwillingness of the current provincial government to initiate similar steps suggests that it is not particularly supportive of those values inherent in local economic development.

5.3.2. Assistance to Small Business

A second area of focus included a role for the centre to provide assistance to small businesses. An objective was to offer highly flexible and responsive educational services to the small business sector and the centres clearly have delivered in this respect. Newly established businesses and individuals attempting to develop an entrepreneurial idea are provided with assistance and guidance in developing a business idea to the required business plan format and are directed to potential sources of financing. First-time entrepreneurs who, perhaps for reasons of college intimidation or time, have not had access to the traditional educational channels are able to gain managerial skills and techniques which enable them to expand their businesses or develop higher profit margins.

In addition to the counselling services, many centres have initiated a series of strategies to stimulate economic development activity in their communities. The compilation and distribution of resource materials, relevant local data and

statistics, investment matchmaking services and professional networking are all examples of the ways in which the centres are nurturing any latent entrepreneurial talents.

The process by which these services are offered, however, question the extent to which they are educational in nature or are merely the provision of such services. For one thing, a very limited client data base is kept and therefore very little empirical statements can be made about the client group as a whole.

Neither the concept nor practice of assisting small business are altogether new ones and to some extent, therefore, the services and activities of the centre duplicate other efforts. The Federal Business Development Bank, with its CASE program, (Counselling Assistance to Small Enterprise) and the Ministry of Economic Development, through Program Assistance to Small Business, provide one-to-one counselling to new or established businesses. As well, the YMCA, in a recently negotiated agreement with the Federal Canadian Employment and Immigration Commission, CEIC, has been funded to open eight Youth Enterprise Centres across the country, one of which will be in Vancouver. The Vancouver centre will receive \$1.62 million in an effort to help create 110 new businesses. Also, TIEM Canada, Inc., a private sector initiative provides one-on-one counselling to potential and established entrepreneurs.

While the centres are an improvement in terms of spatial accessibility and because there are simply more of them, it is difficult to see how the actual services of the centre are much

different.¹³⁹ Since they are similar to other services and since these other agencies do not have a specific mandate to educate, it is questionable as to whether such a role belongs in this institution.

Moreover, some of the particular activities initiated by the centres appear as redundant to those being offered by other agencies. One example is the distribution of government information and literature, previously a function of the Business Information Centres. Similarly, the assimilation and distribution of a "data base" while useful, is not all that dissimilar from the data base activities previously carried out by the Regional Districts.

This problem of redundancy is particularly evident in the Kootenay region where we have the EDC in Castlegar service Trail, Nelson and Castlegar; the KREDA providing business advice to clients from the region within similar boundaries; an Economic Development Commissioner in Trail providing, among other services, business advice to new businesses, (Incidentally, not too pleased by the emergence of the EDC on the scene, this person regards the centre as competition, and a place to which he can direct his overflow business: those individuals seeking advice whom he cannot accommodate due to time.)

¹³⁹One is reminded of the pre-DREE (Department of Regional Economic Expansion) days when a plethora of Federal programs and policies existed in an effort to foster regional development. DREE was subsequently devised to co-ordinate all of these activities.

5.3.3. The Promotion of Entrepreneurship

In that the centres are managed by highly motivated, achievement oriented entrepreneurs, an impact may be felt in the entrepreneurial environment of the community. The centre managers have entered the economic development picture and with very little direction or guidance have introduced a series of creative ideas and methods by which to encourage the market forces.

They have established a series of "investment" or "networking" clubs which are intended to foster the exchange of creative ideas, and to provide a support network for budding entrepreneurs. These exchanges also provide the entrepreneur with exposure to a mentor or role model.

The flexibility and accessibility of the business training courses and seminars are also conducive to the emergence of new entrepreneurial ventures. Unfortunately, however, there is only one example of where the students from the college have been included in the activities of the centre in such a way as to enhance their entrepreneurial skills.

5.3.4. College Integration

A prime weakness of the centres' existing structures is that they are poorly integrated with the colleges in terms of organizational, logistical or functional linkages. With the exception of three, all EDCs are located off campus in an attempt to foster greater links with the business community. There appear to be few instances where faculty members from within the college have been recruited to teach a course or give

input, in any structured way, in the EDC.

Many reasons were cited as to why this was the case. The perspective of the centre managers is that faculty members, while competent from an academic and intellectual perspective, lack real life business experience, and thus entrepreneurial skills. Instructors, on the other hand, claim that heavy teaching loads and increased class sizes preclude their involvement in much committee work at all. They also feel shut out of the centres' activities, and have little understanding of what they do, who they serve or what their role, as faculty members, may potentially be. They also feel that few efforts have been made to incorporate their skills or expertise.

A prime concern among the faculty associations is that work which legitimately belongs within the college is being provided through other arrangements. They perceive the practice of contracting out or using part time staff to deliver educational programs to risk job security and a loss of curriculum control. The centre staff are, with one exception, not members of the collective bargaining unit, and thus represent a counter organization within the institution to the other faculty members.¹⁴⁰ Two particular faculty associations have expressed possible plans to lay grievances under the collective agreement in respect of the EDCs.

On a more positive note, a series of programs and educational packages has been put together, such as the

¹⁴⁰The centre manager at Malaspina College is a member of that institution's faculty association.

Immersion Program at Selkirk, the Hospitality program at East Kootenay and the New Enterprise Management Certificate program at Malaspina. The future plan for an outfitting program at East Kootenay College is also very promising.

It is difficult to say if the EDCs are displacing any of the continuing education courses offered in the college. The EDCs are working directly with small businesses and potential entrepreneurs, whereas the business courses offered through the continuing education departments are structured short term credit and non-credit courses. As no fiscal recognition was given for these types of courses within the formula funding, most colleges have cut back considerably on their community oriented courses. The centre-sponsored evening seminars on starting a small business, taxes, exports, etc., however, appear to be very similar in terms of content to those courses offered through continuing education.

The process by which the centres are being funded exacerbate these concerns among faculty. Compartmentalized funding, where sums of money are issued to the college for specific expenditures is viewed as a force which weakens the institution's ability to restructure, self-budget and set priorities.

There is also concern within the educational community over recent financial and political incentives encouraging entrepreneurial behavior within the college operation. Under the Canadian Job Strategy program, for instance, Federal contracts are available on a competitive basis to provide training to individuals. This forces the college to compete with the private

sector to provide training. A process of "creaming" can potentially occur, whereby colleges, because of the costs of maintaining a variety of support services are unable to submit the lowest bid. Frequently, the colleges are forced to accept a sub-contract for the same trainee program, at a lower price. There is concern that such a practice will result in a diminishing level of college autonomy, quality and standards.

Given the limited roles for college faculty in the centres, it is no surprise to discover that the students themselves have no structured role within the centres. In some instances, students have been hired to do computer work, typing, receptionist work and other day-to-day tasks; however, only one example could be found of where a formal agreement existed between a faculty member and the centre manager to co-ordinate their efforts and incorporate the students in a scenario similar to that described in Section 2.4. The ACE program at CNC is the one example. At CNC, it may be important to note, the centre manager continues to teach and run the centre; this type of arrangement may facilitate stronger interactions more readily.

A prime weakness of existing EDC structures, therefore, lies in the extent to which the centres are integrated with their respective colleges. The method by which the centres are funded is highly reflective of centralized control wielded by the government over the institutions. Both points undermine the extent to which one can argue that such a policy facilitates local development.

In sum, some objectives of the centres do appear to have been met: the centres offer assistance to the small business

sector in the form of business planning, business seminars and one to one counselling. As the centres are closely aligned to the small business sector, it is also likely that they have contributed to the spirit of entrepreneurship in their communities. They have established networking and entrepreneur clubs which expose budding and existing entrepreneurs to a positive and supportive network. The centre managers have also attempted to open up the lines of communication with other economic development actors in the province.

On the other hand, however, there is little evidence to suggest that a process of local economic development, as defined in the thesis, is being fostered in the province. Few policy incentives exist to encourage a region to collectively decide on a development strategy and then take steps to implement that strategy. With limited exceptions, the centres themselves do not attempt to make any distinctions as to who uses their services for what purposes, and no priorities exist as to the type of industry or businesses, such as import replacement strategies or product development.

As well, the centres have not integrated themselves with their respective colleges. Due to an overall rationalization process which encourages a "system" of colleges versus a community focus, in many cases the colleges themselves are not addressing local economic development opportunities in their curricula and programs. There is also little evidence to suggest that the colleges as institutions are being restructured to be used as community tools to address regional economic development opportunities.

Chapter Six

CONCLUSIONS

6.1. Summary

The thesis has identified a twofold role for a college-based enterprise development centre involved in local economic development: to enhance the small business skills and level of entrepreneurship in the college region, and to identify and address local economic development opportunities. Three particular objectives for the centres were also defined: to deliver highly responsive and flexible educational services to the small business sector; to establish a close and interactive relationship between the college and the small business sector in an effort to encourage experiential learning and entrepreneurship among the students and faculty; and to identify and facilitate the training for local economic development opportunities.

A model EDC has been constructed which reflects the original objectives of the LERD fund, the concepts implied in the process of local economic development and the above mentioned role and objectives. In summarizing the extent to which the eight EDCs selected as case studies compare to that model, it is important to review several important concepts.

Local economic development, as reviewed in the thesis, entails a maturation process in which all elements of a region's socio-economic well being are addressed. It is distinguished from the more narrowly defined and traditional process of economic growth by the spatial, pro-active and endogenous nature

of the process. Through such strategies as import replacement and product development, an overall goal of the process is to create a more diversified and self-reliant economy. Other goals include increased local ownership of the factors of production and more autonomy and local control over institutions.

Entrepreneurship is an important variable given the endogenous nature of the process. The literature identifies a number of characteristics common among entrepreneurs: they are highly motivated, energetic, achievement-oriented, creative and individual thinkers. In that they are not born but made, certain environments are more conducive to the development of these characteristics. A number of factors, such as exposure to role models, social and professional support and networking groups, and relevant and current small business educational services contribute to such an environment, thereby encouraging a more entrepreneurial climate.

Education and the colleges have a two-fold role to play in fostering entrepreneurship. One role is to develop experiential learning exercises which positively influence the students' entrepreneurship. Entrepreneurship is essentially an attitude and changing attitudes is a learning exercise which is well placed within the learning institutions. As regional actors, a second role for the colleges is to assist in identifying local economic development opportunities and to facilitate the training for their development.

The EDC concept is introduced in the thesis as a vehicle which can both encourage entrepreneurial activity among students and faculty as well as provide flexible education and assistance

to the small business sector. These concepts and variables form the basis of the college-based EDC model constructed in the thesis. The model is then used as a yardstick to measure the eight EDCs used as case studies.

Four particular areas constitute the basis for the evaluation: the extent to which the centres are involved in a process of local economic development, their delivery of educational services to the small business sector, the promotion of entrepreneurship and the extent to which they are integrated with their respective colleges.

The EDC structure which currently exists in the province contributes to local economic development in two of the four areas of interest: they do provide flexible and responsive educational services to the small business sector. As well, a series of investment and networking clubs has been developed by the centres which provide budding entrepreneurs with some exposure to role models and support networks, all of which promote entrepreneurship.

There are two primary weaknesses of the existing structure. One is that they are very poorly integrated with their respective colleges. There are only a few examples whereby a centre had established a formalized role for either the faculty or the students. In addition to this limited degree of college integration, the current structure and nature of the activities of the centres appear more to reflect the provision of services than a generic educational role. Thus, the prime beneficiaries of the 1.4 million dollar expenditure appear to be the small business community, a group for whose needs one does not

normally direct educational dollars. As valuable and useful as these services may be, it is unclear as to why they should be funded with money from the colleges' budgets, institutions which have already been rationalized and cut-back, rather than from another Ministry or agency.

The second weakness lies in the reactive role the centres have adopted. No efforts are made to identify areas where capital is leaking from a community through imports or to identify services or potentials for the generation of new wealth, i.e. products which may be produced locally without displacing other industries.

Another criterion of local economic development, that of equity and the attempt to incorporate disenfranchised groups (i.e. unemployed) into the decision making and production framework, is also overlooked in the existing EDC structure. It is assumed that all individuals stand an equal chance at benefitting from the service, that anyone can start a business. Some individuals do benefit; however, many remain unemployed and unemployable, and enjoy no greater access to the institutions or policy making process.

6.2. Overall Conclusions.

Two broad questions were posed at the onset of the thesis. Primarily, does the LERD policy, in its endorsement of local economic development, reflect renewed support for regional development and planning? Secondly, does this policy reflect support for a more pro-active role for the colleges in local economic development?

In reference to the first question, the thesis has uncovered very little evidence to suggest that balanced regional development, favouring the region as a cohesive economic unit, is being encouraged at a policy level. Former institutional arrangements which may have encouraged such activities, such as the Regional Districts, the Regional Industrial Development Committees and the Community and Regional Resource Management Committees, have all been abolished and replaced with policies such as the Partners in Enterprise Program and Business Information Centres. These centralizing policies have tended to fragment the regions and encourage competitive rather than cooperative responses to the policy incentives among communities within a single region.

As for the second question, the findings do not suggest that the colleges are being restructured to become pro-active and local tools in a process of local economic development. A similar process of centralization has occurred with the legislation governing the colleges. Whereas a community focus was an integral element of these institutions at the time of their evolution, policies such as formula funding, government appointment of board members and limited local control over programming and funding have resulted in the institutions becoming provincial government tools versus local tools. This rationalization process has created a provincial "system" of colleges at the expense of a specifically "community" college. As well, some basic programs and curricula with a direct local orientation are no longer offered in the regions. There is little evidence to assume, therefore, that the institutions are

being restructured in order that they may become pro-active tools in the achievement of local objectives.

While a move to centralize college functions is clearly not reflective of increasing local autonomy, the thesis does raise several points relevant to the future role of the colleges in the province. Primarily, the extent to which the centres operate as non-integrated, service-orientated agencies suggests a new role for the colleges. One can assume, for instance, that at the very least some cost recovery methods will eventually be put in place at the centres, and possibly more elaborate strategies of revenue generation will be devised. Does this imply a restructuring of Ministerial objectives in order to develop departments of the colleges which are revenue oriented?

The findings also indicate a need for the educational institutions to become as dynamic as the world around them if they are to continue to provide valuable and relevant services in society. This implies becoming more responsive which in turn implies more flexibility and adaptability on behalf of the instructors. An increase in the use of part-time and sessional lecturers who are also employed in a non-academic setting may contribute to curricula which are relevant and offer "state of the art" information. At the same time, however, the increased use of part-time faculty may have an impact on the day-to-day functioning of the college; part-time faculty members, while actively involved in their fields of expertise, are less available within the institution to students and for non-remunerative work such as volunteer committees, internal studies and extra-curricular activities.

There are also some rather important implications for colleges in terms of how they have functioned in our society in the past. The future endorsement of offering educational services in the college by personnel who are not part of the bargaining process, and thus not covered by the collective agreement is significant in that it threatens the concept of academic freedom. College instructors, ensured in a tenured position, have an important role in society in terms of their educated and critical analyses of government policies and options. A trend towards increasing numbers of part-time instructors and sessional lecturers threatens this process.

Furthermore, and of equal importance, the services of the centres would appear to expand the concept of education in ways which are very different from that which we have fostered in the past. There are no linkages to other areas of college curricula, limited interaction with other faculty members and course advisory committees, and the trainers themselves are not trained as educators. This is not necessarily a bad thing; however, the endorsement of this practice would appear to bring into question several aspects of our educational process in general.

6.3. Policy Implications.

In conclusion, the model used in the thesis encourages a blending of ideologies: the ability and willingness to take risks comes from the tenets of free enterprise, and the willingness to support the region as a cohesive economic actor comes with recognition of the market's shortcomings. Given the development bias of the current policy-makers in the province of

B.C., one which is very much based on laissez-faire economics, it is doubtful that the development model used in the thesis would gain much favour.

A number of policy directives can be identified, however, which to a large extent, would be acceptable within the existing political ideology. If developed, the following policy directives could assist in developing an EDC whose motives more closely resemble those implied in the thesis.

Primarily, a policy which advocates pro-active and endogenous behavior must, in itself, be pro-active. An overt effort should be made to incorporate a broad range of interests from within the community. In the context of the EDCs, this could be done by establishing a community and regionally-based board of directors with some policy making capacity. This group would ideally represent a broad range of interests including business, labour, special interests, municipal and regional professionals and elected politicians.

Those concepts included in local economic development would be more likely to occur if this board adopted a pro-active role to identify capital leakages and strategies of import replacement. Such a forum could also identify and attempt to address specific community needs.

A number of policies could also be introduced to encourage more effective college integration. Primarily, the establishment of a faculty committee from the respective colleges could help in identifying potential linkages between the colleges and the centres. The criterion of business experience or a position within the business community, as a sole criterion in selecting

a centre manager may exacerbate the existing narrow focus of the centres. Thus, more effort should be made to develop a diversity of college interests and expertise.

The centre manager could assist in nurturing the relationship between business and the college activities by attending some of the Course Advisory Committee meetings. In addition to providing the opportunity to identify potential areas of integration for students and faculty, attendance at these regular meetings would help the centre manager to understand the needs of those developing the college curricula and to develop a firm sense of commitment and a sense of belonging to the college organization.

Finally, policy changes to the community college legislation may also result in a stronger role for the colleges in a process of regional development. For example, a renewed emphasis on institutional comprehensiveness, versus regional or system comprehensiveness, would provide greater access to a wider variety of programs and courses in the regions. The fiscal commitments associated with such a policy would suggest a willingness to support and sustain communities through the provision of greater access to a wide variety of educational services.

APPENDIX 1

Question Sets

1.0. ESTABLISHING THE OBJECTIVES OF THE POLICY.

- 1.1. What were the objectives of the Minister of Education in establishing the development centres?
- 1.2. What do the EDC define as their objectives?
- 1.3. What were the objectives of the college in establishing the EDC?

2.0. THE DELIVERY OF BUSINESS SKILLS AND THE PROMOTION OF ENTREPRENEURSHIP.

- 2.1. Who is using the centre and for what purpose?
- 2.2. What types of services are being offered? How do these services relate back to the original objectives?
- 2.3. What are the big successes of the EDC? (pending or realized.)
- 2.4. Has the centre formulated some technique for self-evaluation or measurement of its success? (business plan, market, opportunities, etc.)
- 2.5. How does the centre manager spend time? (% of time reviewing client's proposal, working with the community, other economic development actors, the college, etc.)
- 2.6. What kind of client data base is kept?
- 2.7. What is the legal status of the centre? Rationale?

3.0. SUPPORT FOR THE CONCEPT OF LOCAL ECONOMIC DEVELOPMENT AND REGIONAL PLANNING.

- 3.1. Does the EDC operate with a lay or Community Advisory Board? How is the board connected to the community?
- 3.2. To what extent were those members interacting to discuss economic development initiatives prior to the establishment of the centre?
- 3.3. In what ways are the EDC providing support to the community in meeting these objectives and issues?
- 3.4. What are the implications of the development centres in the community? What issues have emerged since their establishment?
- 3.5. What are the objectives of the community in terms of potential strategies for economic development and growth areas?
- 3.6. Are any of the outstanding economic issues in the community (i.e. youth unemployment, displaced resource workers, unskilled workers, etc.) being addressed by the centre?

4.0. DETERMINING THE LEVEL OF COLLEGE INTEGRATION.

- 4.1. To what extent do the students from within the college become involved in the functions of the centre?
- 4.2. Are instructors recruited from within the college to teach or give input into the centre?
- 4.3. Do the centres use the facilities and instructional resources of the college?
- 4.4. How accessible are the other college services to the non-college users of the centre? (i.e. library services, courses, etc). To what extent are the use of these services encouraged?
- 4.5. To what extent do the courses offered in the EDC replace or displace courses previously offered by the college itself?
- 4.6. Are there any linkages between the types of courses being offered in the college (in terms of programs and curriculum) and those skills being taught in the EDC?
- 4.7. What benefits, if any, do the centres derive from their association with the colleges?
- 4.8. What benefits, if any, do the colleges derive from their association with the centres?
- 4.9. Location. Rational for that location?
- 4.10 Course advisory committees - who are they for the business program? How do they relate to the centre's functioning?
- 4.11 What is the relationship to the college? How does the centre report to the college board? How often? Reports?

APPENDIX 2.

PERSONAL CONTACTS

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Randy Archibald, Economic Development Officer, Cranbrook.
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Bruce Borden, Planner, Regional Disrict of Kootenay-Boundary.
Dick Bate, Dean of Instructional Services.
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John Blackhouse, Mayor, Prince George.
Peter Boothroyd, Assistant Professor, U.B.C.
Bryan Brooking, Former Centre Manger, North Shore E.D.C.
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 Bill Millar, TIEM Canada, Inc. Vancouver.
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Glen Witter, Overall Co-ordinator Small Business Programs,
Vancouver Community College.
Gail Wilson, Ministry of Labour, Fraser Valley Region.
Jim Wright, President, Cariboo College, Kamloops.

APPENDIX 3.

INSTITUTION	<u>Funding Allotments</u> LERD FUNDING	EXCELLENCE IN EDUCATION
Cariboo	\$117,000	\$80,000
Capilano College	100,000	80,000
Douglas College	160,000	80,000
College of New Caledonia	150,000	80,000
East Kootenay	75,000	80,000
Fraser Valley	100,000	80,000
Malaspina College	180,000	80,000
Selkirk	184,000	80,000

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