

SMART SPECIALIZATION IN NON-METRO CANADIAN REGIONS

The Boundary Region: Final Report & Recommendations



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1. PROJECT OVERVIEW AND PURPOSE

The project objective was to set up a framework that rural regions can use to make living, renewable innovation strategies. While rural regions are an important part of Canada's society and economy, they have faced an extended period without reinvestment and substantial economic change. In order to design the future they want, rural regions need support. Our preference would be that the support be driven locally, from within the region, and that the framework is something that stakeholders could pick up and apply for a locally-led innovation strategy.

This project aimed to:

- Develop a practical framework for stakeholder use, testing and refining tools as part of the framework;
- Identify the strengths, weaknesses, and opportunities for innovation within two rural regions;
- Co-generate innovation strategies and co-design a strategic plan; and
- Evaluate and refine the framework based on the results.

This report summarizes the work done in the Boundary Region (the Boundary) of British Columbia (BC), and provides recommendations for the region. It also includes comments on how our work with the two case study regions, the Boundary and the Grey-Bruce Region of Ontario led to a shift in the framework's presentation and application based on the different needs and objectives of the two regions, and the implications of this moving forward.

2. APPROACH AND TOOLS USED

The framework was designed to provide users with a series of step and methods for moving through the baseline assessment of a region and its characteristics; building a deeper understanding of the stakeholders and actors, as well as the challenges and strengths that characterize the region; mapping the region's stakeholder relationships; developing a community-generated idea of a desired future; and focusing strategic efforts to achieve some or all of that envisioned future.

The initial framework was designed to include in-person meetings for stakeholders along with initial in-person facilitation and field work by the research team. However, this approach had to be shifted to predominantly on-line interactions due to COVID-19, isolation and travel rules, as well as the social and business repercussions of the pandemic. For the Boundary case study, carried out during the height of COVID-19, all of the research was conducted online, while Grey-Bruce case study was mixed as the work was carried out later.

Methods for The Boundary Case Study:

- *Literature Review*: focused on public and private sector documents, press releases, and research reports or studies pertaining to the region's economic structure, development, social and political issues. Wider provincial and national level documents were included as pertinent.
- *Semi-Structured Interviews*: asked regional stakeholders about themselves and their organizations; the main industries in the region; emerging industries and sectors; key players and their relationships to them; where people go for knowledge and help with research and development; challenges facing the region; and opportunities.
- *Stakeholder Map*: mapped stakeholder relationships to show which relationships were closest, to identify key organizations in the region, and to identify opportunities for greater connections.

- *Workshop 1:* conducted with a mix of private, public, and not-for-profit stakeholders. The workshop was initially one large group that was then split into two breakout rooms. Stakeholders were asked to confirm or alter the draft stakeholder map provided by the research team; to discuss and organize the region's strengths, opportunities and challenges; to discuss what stakeholders "bring to the table"; and to identify what things need to be done more and what needs to be done less in terms of effort (e.g., policy or investment). The workshop finished with some initial thoughts on a desired future.
- *Workshop 2:* involved a similar mix of stakeholders to Workshop 1. Stakeholders were introduced to the Three Horizons approach to identifying a desired future and tracing a path of action to achieve it. This included a deep co-generation of ideas around understanding the current situation in the region, the desired future, and the transition path needed to cross it.

As mentioned above, the Grey-Bruce case study shifted their approach, with the differences described below.

Alternative Methods for Grey-Bruce County Study:

- *"Grey" Literature Review:* public and private sector documents, press releases, and research reports or studies pertaining to the region's economic structure, development, social and political issues. Wider provincial and national level documents as pertinent.
- *Interviews:* were semi-structured and asked community members about themselves and their organizations; the main industries in the region; emerging industry/sectors; key players and their relationships to them; where people go for knowledge/r&d help; challenges facing the region; and opportunities.
- *Stakeholder Map:* a consolidated stakeholder map for Grey-Bruce was developed from the semi-structured interviews, mapping the depth of collaboration with other stakeholders across sectors in the region.
- *Workshop:* Grey-Bruce had one community participatory workshop instead of two. The workshop was in person and at a larger scale, with approximately 80 participants. The workshop differed to that of the Boundary in that it utilized three frameworks to engage participants in futures thinking:
 - Community Maps: plotting stakeholders' relationship to community influence vs. community knowledge;
 - Specialized Collaborations: mapping unexpected partnerships to explore social innovation and create opportunities beyond usual partnerships; and
 - Idealized Future States: exploring an idealized future state within social, political, economical, culture, and environmental constructs, considering the new unexpected partnerships.

3. SUMMARY OF THE BOUNDARY REGION RESEARCH

Work on the Boundary Region case study took place in 2021-2022, working with the advice and guidance of Community Futures Boundary. We began in 2021 with a Boundary focused literature review that aimed to better understand key sectors, technologies, strengths, and challenges. Highlights from the literature review include:

- The regional economy combines agriculture, manufacturing, forestry, tourism, mining, and the public sector (health, education).
- Cannabis is an emerging sector gaining traction within the region.

- Development of the Boundary Food Hub indicates growing opportunities for food processing and value-added production related to the agricultural sector.
- Geography - including location, climate, and landscape - is a regional strength, particularly related to outdoor recreation.
- Sense of community is a key strength within the region.
- Climate change, and related natural disasters (e.g., flooding) have significantly impacted the region and pose an ongoing risk.
- The Boundary faces challenges related to housing, aging demographics, and access to connectivity.

The completed literature review is available online on the Selkirk College [Scolr Database](#).

In March and April of 2021, the project team invited 27 people from across the region to do one-on-one interviews. Of the 27, we interviewed 17 people representing more than 17 organizations (some people represented multiple organizations) from across the region, including local and provincial government, local industry, the business community, economic development, and key sectors (e.g., agriculture, cannabis). Interviews allowed the research team to get a better picture of the region, key stakeholders, challenges, and opportunities. For each interview we completed a diagram mapping organizations and connections between organizations in six areas: governance/ment, finance/capital, social/community, training/skills, research and development, and suppliers/services. These diagrams allowed us to form a picture of the region.

On April 27, 2021 we held a virtual workshop with participants from across the region to build on our interview findings, building a better understanding of the region and beginning to envision what the region's future(s) could be. The workshop had 14 participants. Participants were split into two groups, each tasked with working on a regional system map showing regional organizations and their key areas of focus, including: research and development/knowledge; governance; financial/capital; skills/training; services/supply; and society (see Figures 1 and 2).

Figure 1: Breakout Group 1 Map

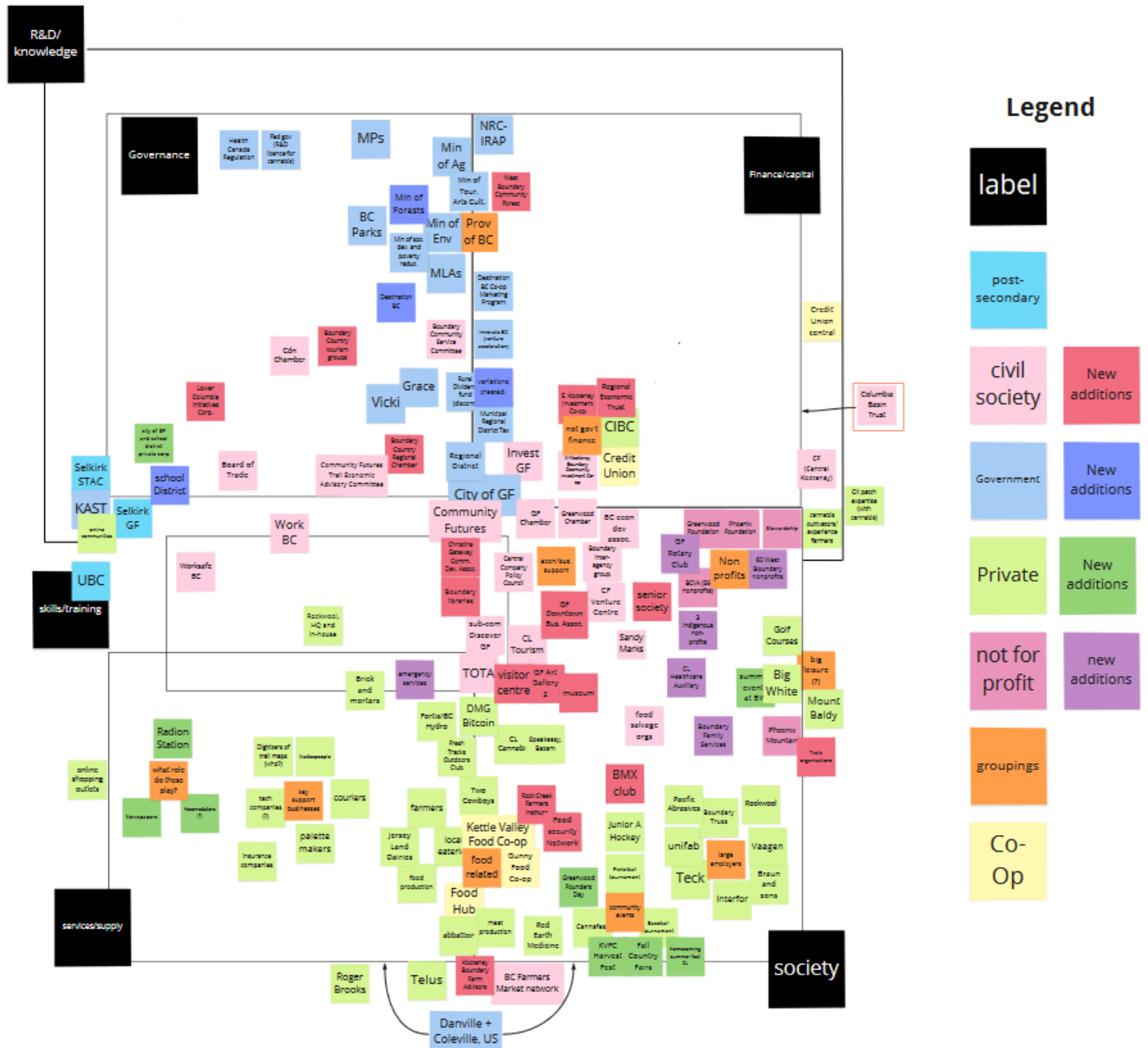
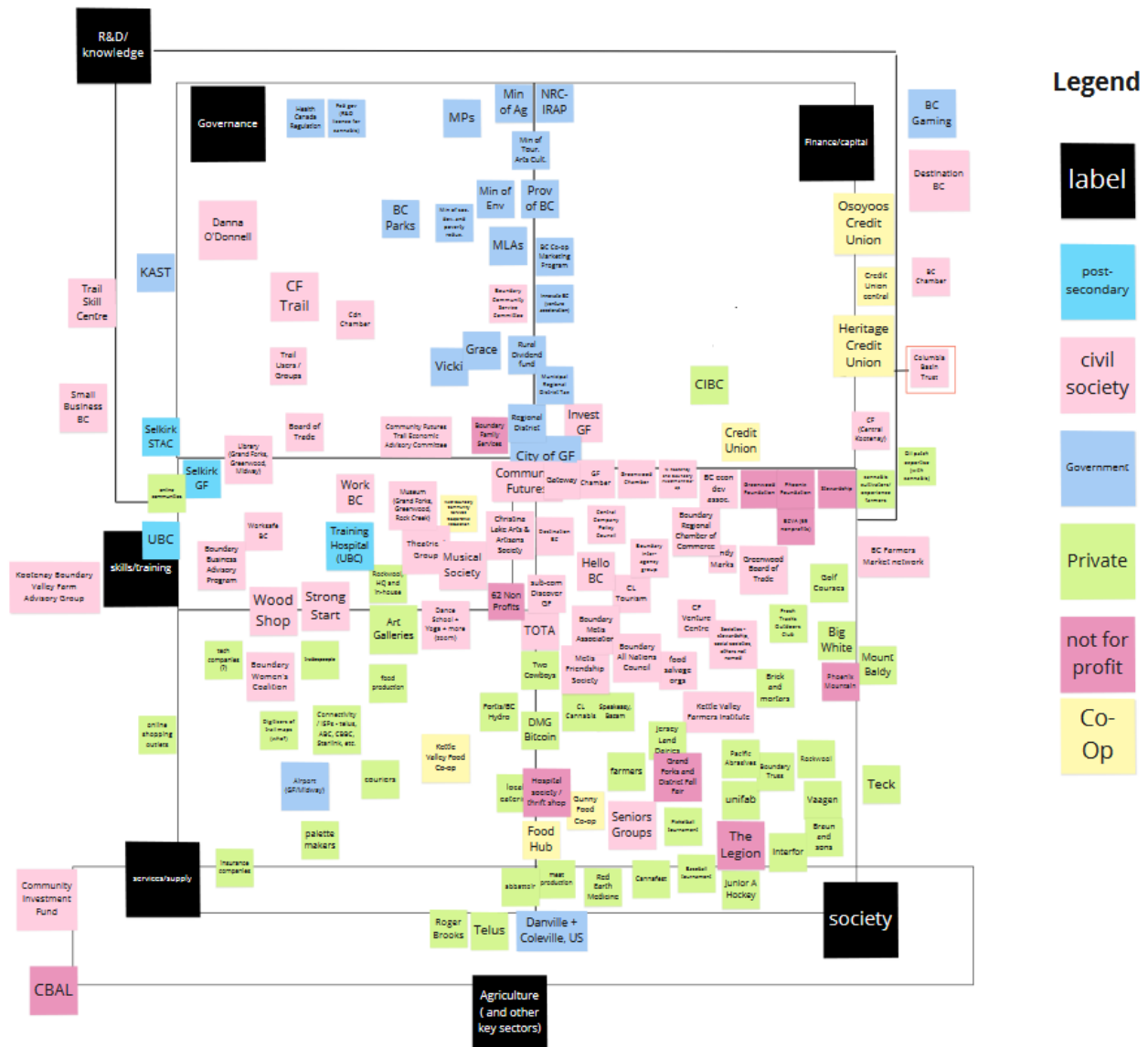


Figure 2: Breakout Group 2 Map



We found that the Boundary:

- Has a powerful network of social connections. This social capital includes deep regional knowledge and facilitates connections and problem solving.
- Is a place where people have multiple, overlapping roles. While this enables integration across sectors and organizations, it also is a point of vulnerability related to burn out of social capital.
- Is home to a range of small, local businesses - both bricks and mortar and online, and substantial entrepreneurial talent.
- Has a wealth of natural capital (e.g., landscape) that brings opportunities (e.g., growing related assets like trails) and challenges (e.g., isolation, distance) that impact communication and collaboration within the region as well as outside the region.
- Has a growing infrastructure deficit across infrastructure types, including connectivity and communication, housing, and transportation.
- Face limited availability of investment and financial capital within the region.
- Lacks a unified regional direction or vision.

Multiple desired futures were identified, including:

- A “green” focused region that leverages natural assets while building resilience and adaptability to natural disasters.
- A thriving cluster related to agriculture, food, and value-added processing.
- Developing a culture of knowledge and resource sharing, linking to other networks outside the region.

The preliminary report from the workshop is available [online](#).

Initially, a second workshop was to be held in fall of 2021. However, owing to the severity of the wildfire season the decision was made to postpone the second workshop. In March 2022 we held a second virtual workshop, presenting common challenges and discussions from another rural case study region, and working through a three horizons workshop to identify pathways to move from the current state toward the desired regional futures.

During the workshop participants:

- Reviewed the regional challenges and strengths identified above.
- Imagined a desired future that includes:
 - A fully connected (virtually and physically) region with a range of housing choices.
 - An advanced and technology savvy agricultural sector.
 - Local control of natural resources.
 - Using technology to support competitive businesses.
 - An enhanced infrastructure system.
- Participants felt it was essential that the region retain a strong sense of community, natural environment, lifestyle, and community spaces.
- To achieve these desired futures, participants identified a need to:
 - increase local capacity through skills training and education
 - change culture related to financing
 - change natural resource policies
 - improve transportation and other infrastructure networks
 - better understand the practices and needs of the agricultural sector
 - enable more people to participate in local governance

- Participants felt that factors like inconsistencies in planning and commitment to change, underscored by a fear of loss through change, may be holding the region back.

The workshop summary is available [online](#).

4. CASE STUDY SUMMARY DISCUSSION

Boundary Discussion

The Boundary region is physically large, spanning over 100 km from west to east, including 3 incorporated municipalities and several unincorporated communities, totalling just over 13,000 people (Statistics Canada, 2021 Census).

Within recent years the region has experienced several severe natural disasters, including the 2018 Grand Forks flood, as well as economic disruptions, like the indefinite shutdown of the sawmill in Midway. This is in addition to the COVID-19 pandemic, and the related economic slowdown. Stakeholders across the region have experienced significant and immediate challenges necessitating immediate reactions and focusing attention on short term priorities. This has, in part, limited or overshadowed the ability for future thinking, as substantial human and financial resources are focused on addressing emergent and acute situations. This is exacerbated by the capacity limitations (human and financial) that are common in rural places.

There is a general understanding in the region of the need for long term planning and action. However, the challenge of implementing future thinking and planning is challenged by reliance on short-term and unpredictable sources of funding.

The above presented a challenge using a Smart Specialization approach for the co-development of a regional innovation strategy. Within the context of short-term priorities and limited capacity, getting buy-in for change, and for change with a specified and unified direction, among stakeholders is difficult. Getting participation from individual businesses and industry was particularly difficult. Additionally, it is important to recognize that the research team is from outside the Boundary region. While Selkirk College has active partnerships and relationships, including with Community Futures Boundary, the project was driven externally, potentially contributing to the limitations of local buy-in.

As a result of the above, as well as additional emergent regional challenges, the research team was unable to move to co-construction of an innovation strategy with regional stakeholders. In consultation with Community Futures Boundary, we determined that the best course of action was to identify recommendations based on work to date that are sufficiently generalized as to apply to a changing region.

Grey-Bruce Discussion

The Grey-Bruce region comprises two upper-tier municipalities¹, Grey County and Bruce County, and includes nine and eight member municipalities, respectively, as well as two First Nations reserves. Collectively, it has a population of 174,301 and covers 8,574 square kilometers (Statistics Canada, Census Profile, 2021). Grey-Bruce is situated on the shores of Lake Huron and has 850 km of coastline (Grey Bruce Public Health, 2023). Grey-Bruce has one major urban area (Owen Sound,

¹ A form of local government in Ontario, defined as a municipality formed by two or more lower-tier municipalities.

population of 21,600), with the remaining areas being very rural. Significant industry sectors are sales/service, tourism, agriculture, trades, and manufacturing.

Grey-Bruce has a history of collaboration and implementing creative and innovative solutions to address community needs, and committed actors who contribute to a vibrant community. Regional strengths include social capital and connections, entrepreneurship and innovation, and a connection to the local environment that influences a sense of place. However, affordable housing and transportation are ongoing local challenges that impact the labour force and local economic opportunities. There is also a significantly aging population that also impacts the labour force, as well as other community-related impacts.

There was a positive response to the methods introduced at the community participatory workshop (community maps, specialized collaborations, and idealized future state), which has opened the possibility of pursuing them further with Georgian College playing a role as lead local facilitator in the short-term.

5. CROSS-CASE LESSONS

Both case studies highlighted a set of similar themes in regards to rural development and revitalization. These themes are summarized below.

Social Capital: the connections, relationships, and community spirit are both abundant and crucial in rural regions. While participants often noted the importance of “know how,” equally important is the “know who” element in these regions - who does what, who is in charge of what thing, what activity is happening, and who they can approach in their network. Small communities that need to maintain some depth of self-sufficiency to survive and thrive depend upon these social connections. While the level of social capital is high, some gaps were still apparent. For some, given that networks are part of personal knowledge, not everyone has the same level of “know who,” even though in the community there are certain key names that are mentioned all the time. Establishing a broader set of network connections is an opportunity that the communities could pursue.

Cross-Role Knowledge: stakeholders in both case study regions wear multiple hats (especially in the Boundary) or come from different backgrounds than their current roles may indicate. This creates a wealth of potential knowledge and problem-solving capacity within the regions. The challenge is how to communicate this knowledge both in terms of “who knows what,” but also in terms of how best to share it (i.e. what mechanism). One particularly interesting insight coming from the Grey-Bruce workshop, and which parallels Smart Specialization efforts in Europe where groups with knowledge are paired to groups with interesting problems to solve (leading to innovative activity), is the idea of facilitating fruitful pairings between people: connecting people who identify others with useful or interesting social capital or other knowledge to create useful diversity in the economy. In the Grey-Bruce region, this was less about solving existing problems as it was about exploring new opportunities.

Environmental Advantage: The beauty, the quiet, the community - these were all lauded as strengths in the regions. While they were seen as a way to help the economic development of the region and its competitive advantage, this was tempered by avoiding the over-exploitation of these same assets. The question became how do you simultaneously open the region without overwhelming it, especially given increased housing prices and demand and the shift in land use in different areas.

Areas of promise included eco-tourism and eco-friendly agriculture, but discussions also included the need for new and creative zoning for housing, and cooperation between levels of government. The combination of opportunities and challenges offers the potential for creative ideas and innovations to emerge - revitalization of traditional, less invasive ways of farming or food production, new niche activities or businesses, and new governance models that could be shared with other communities. The combination of opportunities and challenges also requires a systems-based approach, as decisions and partnerships in one space (e.g., housing or tourism) will have an impact in other spaces. A systems view will help to maximize the potential benefits of decisions and combination, facilitating the anticipation of possible indirect consequences.

Spent (i.e. limited) Capacity: the main challenge facing rural regions, as mentioned above, is that everyone is putting out fires (some literally). Small communities generally mean low capacity and smaller numbers of personnel except in the few large employers. As a result, time to think about the future is limited, and time to think about things differently is shunted to the immediate. During our workshop exercises, participants sidestepped approaches that took indirect routes to solutions, feeling that issues were being ignored. Tools that used this indirect opening for creative solutioning were not well-received. In sum, participants' bandwidth for creative idea generation was an issue.

Linked to the issue of bandwidth was the general challenge of attracting the private sector, where time demands and lack of interest in what likely seemed abstract or "academic" exercises were very low. Participation of large corporations seemed limited to the sponsorship of events or participation on local committees in terms of their community involvement, with the notable exception of Bruce Power in Grey-Bruce, which seems to be building an ecosystem around itself. It will be very difficult to rejuvenate local economies without their involvement to some degree. Finding a way to increase business interest in local rejuvenation efforts would help to increase diversity, especially in the space of new niches or business approaches to address gaps in the community. "How can this be done?" is the key question.

The workshops we conducted were key parts of the testing and solution-finding for this project. We noted that what was appreciated by the stakeholders was the chance to participate in discussion, wherein participants pointed out what was happening and the issues they saw in the region from their point of view. Participants also appreciated seeing who else in the region was interested, and how there tended to be more similarities than differences in regards to the issues facing the region. Finally, although the creative tools and methods to get there were not always well-received, a coherent vision of the future created from a regional view did emerge and was appreciated.

6. BOUNDARY RECOMMENDATIONS

With these experiences speaking to stakeholders in the Boundary and Grey-Bruce regions, where does this leave us? Given that this project aimed to test the limitations of an approach to make improvement, while at the same time providing the broad strokes for a regional strategy, we propose the following considerations for regional stakeholders to explore.

The "Many Blossoms" Strategy: as mentioned, rural regions face challenges attracting stakeholders (especially from the private sector) to regular large meetings, and to using tools that creatively co-generate a collective strategy, because of limited bandwidth and the various challenges and day-to-day issues they face. It may therefore be challenging to come up with an all-region strategy that can be regularly updated. However, a more decentralized approach may be considered. Part of the message heard during interviews and workshops was about the interesting connections and ideas that different

organizations had and were pursuing, some of them quite innovative and potentially impactful. How then, can such individual ideas be further supported, and how can more be encouraged? Being able to support more of such efforts means that many blossoms of innovation emerge, and some of those may become more successful. Furthermore, it establishes a creative energy in the region that contributes to virtuous circles of innovation.

Part of the strategy will require a community-based mechanism to help identify the different stakeholders active in the region, preferably including descriptions of the type of activity in which they are engaged, in a format accessible to other stakeholders. This may be as simple as a listing, or if resources allow perhaps an interactive stakeholder map as developed and shared during the regional workshops. This creates an identification mechanism for others to see who they may want to approach for different activities.

Furthermore, while sharing “know who” with the regional community is an important step, the next step would be to create opportunities for interesting pairings or groupings of new partners in innovative endeavours, whether business related, governance or of social benefit. Interesting pairings, or unexpected combinations, are a powerful source of innovation and new economic niches that lead to diversification of local economies and enhance the uniqueness of a region’s offerings. One could imagine the Boundary taking advantage of a combination between its food production strengths and the emerging Cannabis industry; or perhaps energy recycling wherein the heat from one industry (e.g. new industry like bitcoin mining) is used by greenhouses or food producers; local construction industry partnering with lumber or other material producers for regional needs, and so on. Creating these introductions, or creating a bridge for stakeholders to feel comfortable introducing themselves, becomes key in regions where networks are tight, but may be somewhat closed to those outside established networks.

Stakeholders across the region must be encouraged as much as possible to recognize their own knowledge and strengths, and to reach out to each other both for current endeavours but also to explore possible expansions to their endeavours or to work for governance and regionally-based solutions. This builds upon the already-present attitude of self-sufficiency and “do-it-yourself” in rural regions. At the same time, such efforts could use a coordinated boost, with the coordination coming from a central community stakeholder organization. In Grey-Bruce, such an organization is Georgian College with its multiple campuses and innovation lab initiative. In the Boundary region, while Selkirk College may develop as a possible candidate, the current Grand Forks campus is quite small and limited in its resources. A more likely candidate would be Community Futures Boundary, given its wide regional connections and knowledge sharing structures regarding skills that could be further leveraged and expanded to further focus on providing social “know who” and building those connections between community members. A future possibility may be a combined partnership between Selkirk College and its different campuses and Community Futures.

Such an organization would encourage connections, but mostly support the opportunities already identified by regional stakeholders, and provide these stakeholders a place to turn when they have their “aha” moments, supporting the next steps in the effort. The organization itself would have to be willing to expand or modify its mandate, and resource accordingly (though not overwhelmingly) to achieve this. In addition, when there are moments of availability, or community members express desire, the central organization can plan more organized strategy discussions, refreshing ideas of desired futures and providing overviews of successes, strengths to be built on, and challenges that need to be addressed. These may be infrequent, but with a “many blossoms” foundation, can become quite powerful.