



**METROPOLITAN HALIFAX
CHAMBER OF COMMERCE**

*Strong Business. Strong Community.
Since 1750.*

Toward a Collaboration Framework

A Case Study of HRM

**Metro Halifax Chamber of Commerce
Economic Development Committee**

July 2001

Preface:

The interviews upon which this report is based were conducted from the fall of 1998 to the middle of 1999. An initial draft of the sub-committee's report was prepared in January, 2000. The sub-committee recognizes that the findings set forth in the report may now be somewhat out-of-date and perhaps overtaken by more recent developments, for example, the Provincial Government has undertaken extensive consultations with organizations such as the Chamber in its recent Opportunity for Prosperity Initiative which is reflective of a new collaborative way of addressing economic development issues in HRM. However, in spite of the passage of time the sub-committee is of the opinion that the report will be useful as a benchmark in reviewing economic development activities in HRM in the future.

Goal:

The Economic Development Committee of the Metropolitan Halifax Chamber of Commerce set out to identify the primary focus of selected economic development organizations impacting Halifax Regional Municipality and to gain an understanding of how they interact with one another.

Objective:

To determine how the major economic development agencies are dealing with the challenges posed by each of the five areas identified in the *Place Audit* released by the Chamber in October 1997 (the full *Place Audit* can be accessed on the Chamber's website at www.halifaxchamber.com) and whether other areas vital to economic development have been identified. The *Place Audit* was an inventory of community characteristics and a critical analysis of HRM. The *Place Audit* was intended as a catalyst for a strategic or visioning process for our community and identified five areas which posed significant future challenges for our region: urban development, population growth, information technology, education and training, and transportation infrastructure.

Procedure:

As a follow-up to the *Place Audit*, the Economic Development Committee identified certain major participants involved in economic development in HRM. The Committee met with representatives of each organization to discuss their role in HRM's economic development.

The Process and or Method:

The first step was to identify stakeholders in HRM. Selected stakeholders were:

- The Province of Nova Scotia, Department of Economic Development & Tourism (ED&T)
- Halifax Regional Municipality (HRM)
- Greater Halifax Partnership (GHP)
- Atlantic Canada Opportunities Agency (ACOA)

- Nova Scotia Power (NSP)
- Halifax Regional Development Agency (HRDA)
- Connections Nova Scotia
- InNOVAcorp
- NovaKnowledge

(Note - during the course of this research effort, ED&T has been renamed The Nova Scotia Department of Economic Development, and Connections Nova Scotia has been discontinued by the partner agencies who created it.)

The Economic Development Committee of the Chamber sent out teams of two interviewers from the committee to canvass the above stakeholder's views on their role on economic development in HRM. The committee designed two questionnaires for this task to canvass government and non-government agencies. The questionnaires are attached. (Attachment I) Key people from each organization were identified to interview and appointments set to meet with the respondents. The questionnaires were completed at the interview and data collected (Attachment II provides a summary of the results).

OBSERVATIONS & CONCLUSIONS:

1. The promotion of growth and increased economic activity was a common theme whether it be focused in various sectors; i.e.; knowledge based economy, growth of and the management of the infrastructure, as well as looking after existing business. The majority agreed there was lack of a common vision of economic development.
2. Most agencies operate from an overall strategy which stems from their individual mandates. Their work plans are largely determined through a consultative approach with a board and/or management team or by canvassing their investors as in the case of the GHP. As for ED&T, their overall strategy is determined by the government's political platform. Goals are set for three to five years.
3. Most stakeholders reported having accountability structures whether to the various agencies or levels of government who provide funding, or to their members or to a board which provides guidance.
4. Funding is usually available for most agencies from various levels of government whether the agency reports to the government or not. In cases where the agency is a private organization, funding is also available from investors, corporate sponsors and fund raising events.
5. Partnerships formed can in some cases be linked to funding sources, for example GHP. In other cases we note alliances in certain sectors, for instance InNOVAcorp is an active participant in the NS Bio-industries Team with GHP and ED&T. Other relationships are less formal but include other stakeholders, Industry leaders and financial institutions.
6. All agencies surveyed indicated input from the business community was very important to them. Some directly linked this feedback to their overall strategy, work plan and budget, however none identified how this feedback is obtained in

formal/informal ways. Community partners range from industry associations to venture capital firms and financial institutions to other stakeholders.

7. When asked what needs of the community were not being met, the most common responses of those people interviewed were:
 - financing
 - management training
 - technology adaptation
 - cross-sectoral partnerships
 - marketing of rural HRM

While there were common themes in the responses in this area, each agency had a different list of themes they perceived as being unfulfilled.

Each agency surveyed agreed that the five challenges to further economic development in HRM as identified by the Place Audit were the major ones facing the region. However, both ACOA and Halifax Regional Development Agency underlined the importance of urban development while InNOVAcorp identified management skills, marketing expertise and financing. The GHP felt very strongly that education and training along with transportation were major issues.

8. Each participant noted significant common drivers of economic development. Although there exists no clear priority, among the list were urban development, education, training and transportation.

Also identified was a need for government, education and industry to work together and monitor the supply of and demand for workers. By this, we include finding ways to provide training to less experienced workers; to keep experienced workers in Nova Scotia as well as to attract other experienced people.

9. The people interviewed made several suggestions for a more active role for the Chamber in partnership with the existing economic development agencies:
 - Increased dialogue with the agency
 - A better understanding of the role of the agency
 - The Chamber could provide input to planning
 - Represent the Halifax Business Community
 - Collaborate with other existing business development groups in rural areas

NEXT STEPS:

- 1) The draft report and accumulated data will be reviewed by the contributing agencies. Done Spring 2001.
- 2) The final report will be made available as a resource tool via the Chamber's website to Chamber members and the general public. Fall 2001

Date: _____

**Economic Development Committee
Questionnaire: Government Departments**

Department Interviewed:

Interviewees:

Individuals Interviewed:

1. What is your mandate in HRM? What are your activities?

Sectoral (software, tourism...)

Functional (loans, grants, counseling, marketing, exporting...)

2. What resources do you spend in HRM? What percent is this of your total budget?

Staff

Project funding

3. How do you determine your overall strategy?

4. How do you determine your annual work plan and budgets?

5. How do you measure your progress or evaluate your achievements?

6. What is your relationship to the other economic development departments/organizations?

Department of Economic Development and Tourism

Atlantic Canada Opportunities Agency

Greater Halifax Partnership

Halifax Regional Development Agency

Nova Knowledge

Innovacorp

Other

7. Is the support of the business community important to you? What involvement does the business community have in establishing your strategy, workplan, and budget?

8. Who, in the business community, do you usually partner with?

9. Do you see needs of the business community that are not being met by these groups? What are these needs?

10. How do you handle competition between existing businesses or between new and existing businesses?
11. The Place Audit identified five challenges to further economic development in HRM. Do you think these challenges are the major ones facing our region, or do you see other challenges as more significant? If so what are they?
12. Do you see urban development as an issue; does it arise in your discussions with businesses? Does your department have a role to play in this issue? Who do you see has the primary responsibility for this issue?
13. Do you see education & training as an issue? Does your department have a role to play in this issue? Who do you see as having the primary responsibility for this issue?
14. Do you support initiatives that attract immigration; does it arise in your discussions with businesses? Does your department have a role to play in this issue? Who do you see has the primary responsibility for this issue?
15. So you see the IT sector as being a significant driver of economic development? Does your department have a role to play in this issue? Who do you see has the primary responsibility for this issue?
16. Do you see transportation infrastructure as essential to the competitiveness of the region? Does it arise in your discussions with businesses? Does your department have a role to play in this issue? Who do you see has the primary responsibility for this issue?
17. Are there ways these groups, or the Chamber of Commerce, could make your job easier?
18. What do you think are the three most important things HRM could do to facilitate economic development?

Date: _____

**Economic Development Committee
Questionnaire: Economic Development Agencies**

Agency Interviewed:

Interviewees:

Individuals Interviewed:

1. What is your organizational Structure? How is your board established? Do you have members? What types of decisions are made by the board? By staff? By members?

2. What are your sources of funds?

3. What is your mandate in HRM? What are your activities?

Sectoral (software, tourism...)

Functional (loans, grants, counseling, marketing, exporting...)

Geographical

4. What resources do you spend in HRM? What percent is this of your total budget?

Staff

Project funding

5. How do you determine your overall strategy? Who are you accountable for?

6. How do you determine your annual work plan and budgets?

7. How do you measure your progress or evaluate your achievements?

8. What is your relationship to the other economic development departments/organizations?

Department of Economic Development and Tourism

Atlantic Canada Opportunities Agency

Greater Halifax Partnership

Halifax Regional Development Agency

Nova Knowledge

Innovacorp

Other

9. Do you see needs of the business community that are not being met by these groups? What are these needs?
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19. Are there ways these groups, or the Chamber of Commerce, could make your job easier?
20. What do you think are the three most important things HRM could do to facilitate economic development?

5.0 ANALYSIS OF HRM'S STRENGTHS AND WEAKNESSES

TABLE 4 - STRENGTHS & WEAKNESSES		
ASSET	STRENGTHS	WEAKNESSES
ECONOMIC	<ul style="list-style-type: none"> -Business parks (e.g. Burnside, Bayers Lake) -Convention Centre -Relatively stable economy -Government and Military Centre -Provincial Capital -Formation of alliances is increasing -Entrance to NAFTA; costs as much to ship to Toronto as to Singapore; access to the world at competitive prices. 	<ul style="list-style-type: none"> -Traditional employers still play a major role in the economy of HRM (see Major Employees listed on the Greater Halifax Partnership Website (1998 Statistics)). Diversification of the economic base is occurring but should be accelerated. The opportunities presented by the off-shore, IT and bio-tech sectors must be emphasized in order to maximize diversification -The potential benefits of municipal amalgamation have not yet been fully realized in the area of economic promotion of HRM as a united entity. Greater movement towards a co-ordinated approach to development in the region is necessary. -Part of economically disadvantaged region within Canada -Inability to draw much major manufacturing and industrial (exceptions are Crossley, Carastan, Stanfield's, Michelin, Stora, Volvo assembly) means low-based GDP -Attracting competing businesses to the area -Perception of distance from North American markets -Relatively unknown as a site-location option -Misperceptions held by external investors

Source: Suggestions Made by Committee Members
 MHCC Economic Development Committee - HRM Place Audit
 October 1997

ASSET	STRENGTHS	WEAKNESSES
INFRASTRUCTURE	<ul style="list-style-type: none"> -All major services and companies are represented -All transportation links are here: air, rail, sea & highway access -Government and military infrastructure -Solid tax base <p>Education</p> <ul style="list-style-type: none"> -All here but mis-focused & not taken advantage of -Competitive system -Law, medical, engineering school, etc. -Hub of eastern seaboard, regional urban centre -57% of population have post-secondary degrees (Halifax Partnership) <p>Medical Centre</p> <ul style="list-style-type: none"> -Specialists -Biotech <p>Culture</p> <ul style="list-style-type: none"> -Much in the way of "arts" <p>Atmosphere</p> <ul style="list-style-type: none"> -Downtown <p>Aesthetics</p> <ul style="list-style-type: none"> -Green areas -Public Gardens -Lake Banook -Point Pleasant Park -Citadel Hill 	<ul style="list-style-type: none"> -No international headquarter corporate centres -Undue reliance on military spending, 40% of revenues come from defense spending -Limited "value-added" to sell -Public education system (major) -Harbour clean-up not resolved -Old city decay (major): Barrington Street, Gottingen Street, need for urban redevelopment -Downtown Dartmouth

Source: Suggestions Made by Committee Members
MHCC Economic Development Committee - HRM Place Audit
October 1997

ASSET	STRENGTHS	WEAKNESSES
<p>PEOPLE</p>	<p>Employment</p> <p>-Lower unemployment rates than in the rest of Nova Scotia and Atlantic Canada</p> <p>Labour Force</p>	<p>-Unused/underutilized human resource capacity; unemployment rate of 8.8% (Nov. 1996)</p> <p>-In need of upgrading and training</p> <p>-Need for more relevant effective and efficient skills development</p> <p>-Need to “sell” education & training to locals</p> <p>-Need to attract major industries from outside the Province</p> <p>-Population is growing slightly ahead of the Canadian average (Statistics Canada projections)</p> <p>-Need for export & management expertise</p> <p>Diversity of population</p> <p>-Inability to effectively manage population diversity</p> <p>-Black - 3.94%</p> <p>-Acadian - 9.11% (includes all French, Quebecois and Acadian French)</p> <p>-First Nations - 1.76%</p>

Source: Suggestions Made by Committee Members
MHCC Economic Development Committee - HRM Place Audit
October 1997