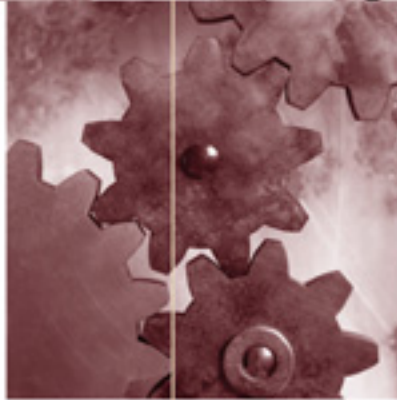


*Observatory*

Economic  
Development

Canada



Survey on the Role  
of Government in  
Economic Development



Canada Economic  
Development

Développement  
économique Canada

Canada

**SURVEY ON**  
**THE ROLE OF GOVERNMENT IN**  
**ECONOMIC DEVELOPMENT**

December 2000

Survey on  
the Role of Government  
In Economic Development

Carried out by  
the Observatory of the École nationale d'administration publique (ENAP)

by  
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Montreal, December 2000

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## FOREWORD

The Economic Development Agency of Canada for Quebec Regions has set up a mechanism for forward-looking socio-economic analysis, the Canada Economic Development Observatory, whose mission is to acquire leading-edge knowledge on emerging trends and issues in the regional economic development policy field.

This economic policy field takes geographical areas and their players (SMEs, local institutions, etc.) as subjects for concern or mobilization. These policies are distinguished by their micro-economic, transverse scope and their more closely targeted, discretionary tools. They are associated more with concerns of territorial governance, industrial reconversion, the problems of outlying economies, urban and rural development, and a number of issues (innovation, information society, SMEs) which are suited to local or regional action.

In this context, the Canada Economic Development Observatory mandated the Observatory of the University of Quebec's *École nationale d'administration publique* (ENAP) to carry out a survey of international experts in order to find out their opinions on the role of government in economic development, and in particular in regional economic development. This report presents the results of that survey.

The report is in two parts. The first presents the methodology used to carry out the survey, while the second presents, first, the answers to the closed questions and then the answers to the open questions in the questionnaire. For each question, the answers are annotated and graphically illustrated. The conclusion presents the highlights of the analysis.

The report was prepared under the supervision of Yvon Pomerleau, Research Associate and Serge Belley, Director of the ENAP Observatory. The data were entered, compiled and statistically processed by Érick-Noël Bouchard, Research Assistant. Final formatting of the report was carried out by Danyelle Landry.

The authors and Canada Economic Development wish to extend their warm thanks to the experts who took part in this survey, whose contribution represents top added-value.

This report was produced with a view to providing information and sharing knowledge. The observations, findings and conclusions herein remain the sole responsibility of its authors, and are not binding on the Government of Canada or Canada Economic Development.



## SUMMARY

The phenomenon of globalization is often associated with a weakening of government. And certainly, globalization and the new dynamics created by the growing knowledge-based economy have led to a new, more demanding context for state intervention.

With a view to acquiring a better understanding of this new context, and to draw the most helpful lessons from it for formulating government policy, during winter 2000 the Observatory of Quebec's École nationale d'administration publique (ENAP) carried out, on behalf of the Canada Economic Development Observatory, a survey of international experts (practitioners and theoreticians) on the role of government in economic development. This survey, conducted by questionnaire, aimed notably to validate a number of hypotheses on emerging trends in state intervention in economic development, particularly in the field of regional economic development.

The findings show that government's role is actually being redefined rather than reduced, and that most of the experts consulted emphasize the importance for the state of playing a decisive role in education, training, research and development, and the flow of information. Respondents were equally insistent as to the importance of strengthening cooperation among governments and the introduction of varied mechanisms for mobilizing local and regional stakeholders so as to ensure concerted support for local economic development. In this regard, networks, economic watch and knowledge transfer are often identified as the preferred mechanisms.

New government policy could therefore contribute, over the next few years, to positioning intermediary groups as strategic players in the new economy. In this respect, it is interesting to note that the relevance of such policy is confirmed by our survey findings. Despite the varied opinions expressed by the experts as to the roles government should play in the new context created by globalization and the knowledge-based economy, a consensus emerged regarding the need for government to become a strategist, mobilizer and partner for local stakeholders. Convincing examples of areas where there is an urgent need for government to play this strategic role are education, training and dissemination of information.

As to the roles which government should more specifically play in implementing regional economic development policy, many respondents favoured policies that will enable the regions to grow stronger and that will require dialogue and joint effort. Concerning key trends in regional economic development policy, the experts point to the need to give priority to education, research and affirmation of the regions. For a number of experts, government has to give priority to combating territorial and social exclusion, even in a context where it is opting out of certain activities. In short, the experts hope government involvement in regional economic development will be directed more toward ensuring conditions conducive to economic development, and that state intervention of a macro-economic or general policy nature, such as education and research, will be combined with action conducive to strengthening the regions.

## 1. METHODOLOGY

### 1.1 Selection of experts and response rate

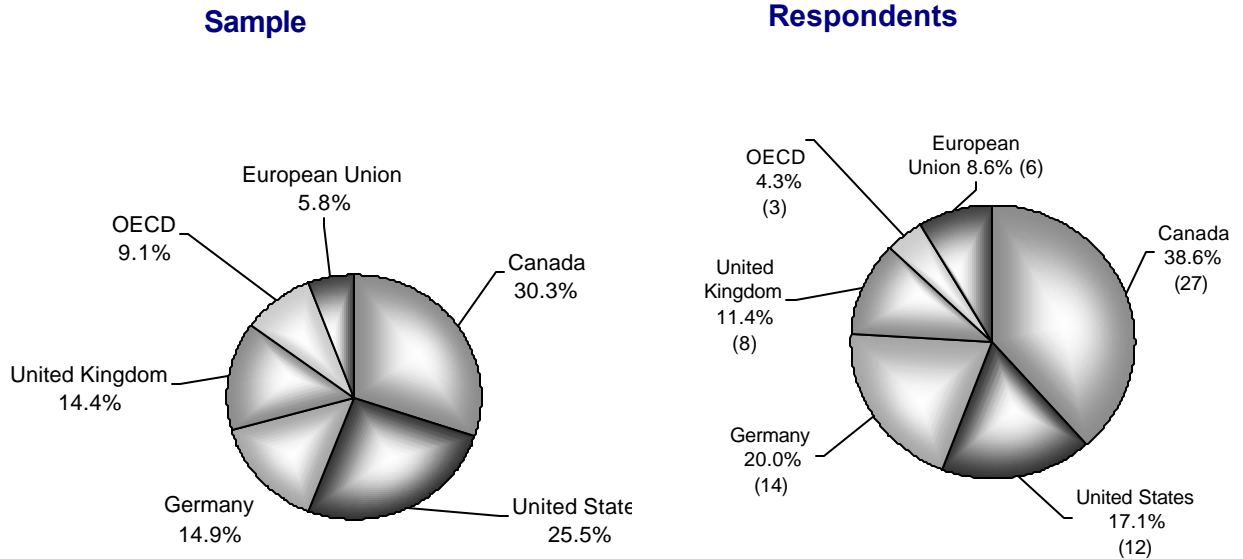
In order to obtain a variety of perceptions, a sample was made up of both practitioners (126) and theoreticians (82), for a total of 208 experts. They were chosen using the judgment sampling method, in a process that involved identifying respondents who, in the opinion of the researchers, had knowledge or experience in the field of the study. Thus, for each of the countries used (Germany, Canada, the United States and the United Kingdom) and for the two organizations—the OECD and the European Union—an initial sampling of experts was created from the contacts and resource persons identified by Canada Economic Development and ENAP's Public Administration Observatory. This first sample, made up of about 40 people, was supplemented by a second sample, developed from a list of practising experts working mainly in government departments or the economic or research and development branches in the four countries and two organizations used and a list of university experts working in the economic and public administration faculties or departments of major universities in these countries.

In order to have some regional representativeness, experts (practitioners and theoreticians) were also identified in five states (*Länder*) of Germany (Bavaria, Baden-Württemberg, Brandenburg, Mecklenburg-Western Pomerania and Lower Saxony), eight Canadian provinces (Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan), nine U.S. states (Florida, Illinois, Maine, Nebraska, New York, Ohio, Oregon, Pennsylvania and Utah) and in Northern Ireland, Scotland and Wales in the United Kingdom.

In all, 70 of the selected experts answered the survey, an overall response rate of 33.6%. While there was little variation in the rate of response between theoreticians (34.1%) and practitioners (33.3%), there were differences from one country to another. The European Union ranked first (50.0%), followed by Germany (45.2%), Canada (42.9%), the United Kingdom (26.7%), the United States (22.6%) and the OECD (15.8%).



The sample and the respondents broke down as follows:



## 1.2 Questionnaire

The questionnaire used included 17 multiple choice closed questions (including two questions with several components) and two open questions (one of which contained two components). The first eight questions (Section 1) dealt with the role of government in economic development, and closed questions 9 to 17 (Section 2) more with government intervention methods.

The themes of the open questions were the intervention methods governments should use, the specific roles of central and federal governments in the deployment of regional economic development policies, and expected trends in regional economic development.

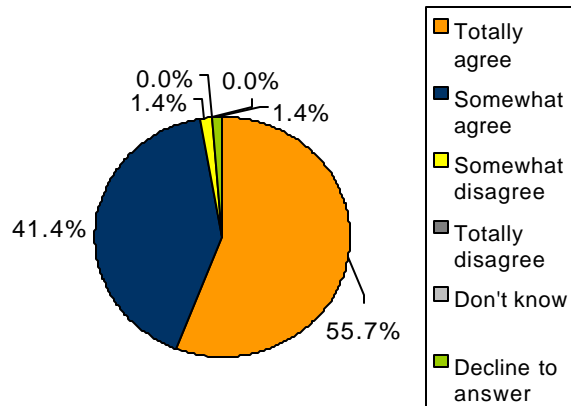
## 2. RESULTS

### 2.1 Answers to the closed questions

#### SECTION 1: THE ROLE OF GOVERNMENT IN ECONOMIC DEVELOPMENT

**Question 1.** To what extent do you agree or disagree with the following statement: *The globalization of markets, finance and information has an increasing impact on national economies and is forcing societies world-wide to redefine the role of the state.*

A high percentage of respondents (97.1%) said they agreed with this statement: 55.7% said they totally agreed, and 41.4% somewhat agreed. Only one respondent somewhat disagreed (1.4%); and only one declined to answer (1.4%).

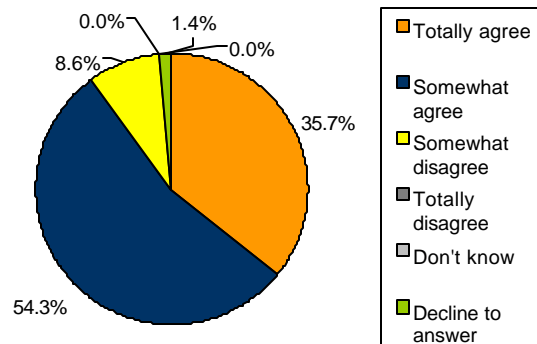


In all, 52.4% of practitioners and 60.7% of theoreticians said they “totally agreed” with the statement, and 42.9% and 39.3% respectively said they “somewhat agreed”.

When we look at the answers obtained on the basis of country of origin, a high percentage of experts in Canada (66.7%), the United States (50.0%) and Germany (50.0%) “totally agreed”, compared with those in the United Kingdom (25.0%), 75.0% of whom preferred the answer “somewhat agree”.

**Question 2.** To what extent do you agree or disagree with the following statement: *Among the decisive changes characterizing today’s world is the transformation of the role of the state, which is not so much declining as in the process of being redefined.*

In general, respondents said they “totally agreed” and “somewhat agreed” in the proportions of 35.7% and 54.3% respectively. Only 8.6% of respondents said they “somewhat disagreed” with the statement, and 1.4% declined to answer.

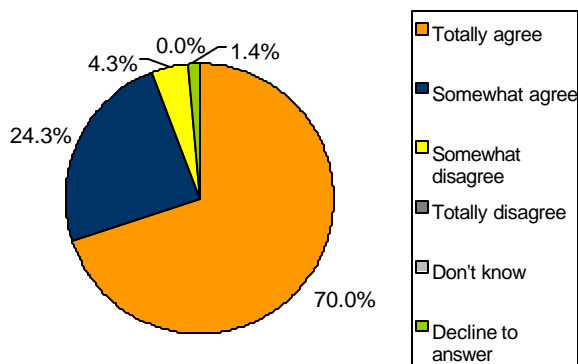


Overall, theoreticians said they totally agreed (50.0%) more often than practitioners (26.2%). Respondents who chose “somewhat agree” accounted for 59.5% of practitioners and 46.4% of theoreticians.

When we consider respondents by country of origin, it appears that Germans (57.1%) and Canadians (37.4%) are especially likely to say they “totally agree”, compared with the British (12.5%) and experts in the European Union (16.7%). These experts opted rather for the “somewhat agree” response, with 87.5% (United Kingdom) and 66.7% (European Union) providing this answer. The Americans fell somewhere in the middle, with 33.3% saying they “totally agreed” and 50.0% saying they “somewhat agreed”.

**Question 3.** To what extent do you agree or disagree with the following statement: *The dynamics of globalization and the knowledge-based economy are forcing businesses to integrate new factors of competitiveness into their strategies (mastery of new competencies and organizational skills, ability to draw up and implement new strategies, etc.), factors the state must take into account when developing policy.*

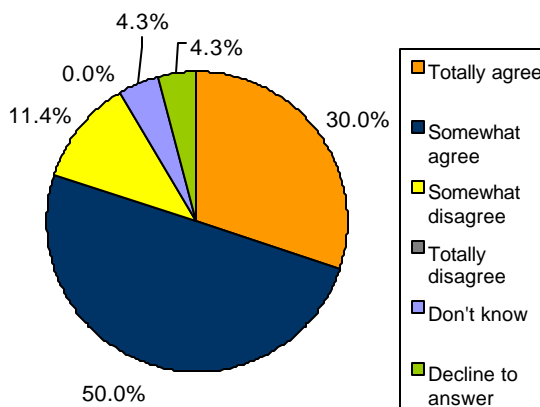
A strong majority (70.0%) of respondents said they “totally agreed” with the statement. This opinion was especially pronounced among practitioners (76.2%) compared with theoreticians (60.7%). The “somewhat agree” category accounted for 24.3% of opinions, with 19.0% of practitioners and 32.1% of theoreticians opting for this answer, while 4.3% of respondents said they “somewhat disagreed” with the question, and 1.4% declined to answer.



Strongest agreement with the statement was found among experts in Germany (92.9%), the European Union (83.3%) and the United Kingdom (75.0%). Canadian experts shared this opinion, but were more qualified in their agreement (67.3% “totally agreed” and 29.9% “somewhat agreed”). U.S. respondents were equally divided among “totally agree” (50.0%) and “somewhat agree” (50.0%).

**Question 4.** To what extent do you agree or disagree with the following statement: *From my standpoint as an observer or practitioner, current changes in the area of economic development appear more significant than marginal.*

Respondents were more qualified in stating that they “totally agreed” with the statement (30.0%) rather than “somewhat agreed” (50.0%). Respondents who “somewhat disagreed” accounted for 11.4% of the category, “don’t know” for 4.3%, and “decline to answer” for 4.3%.



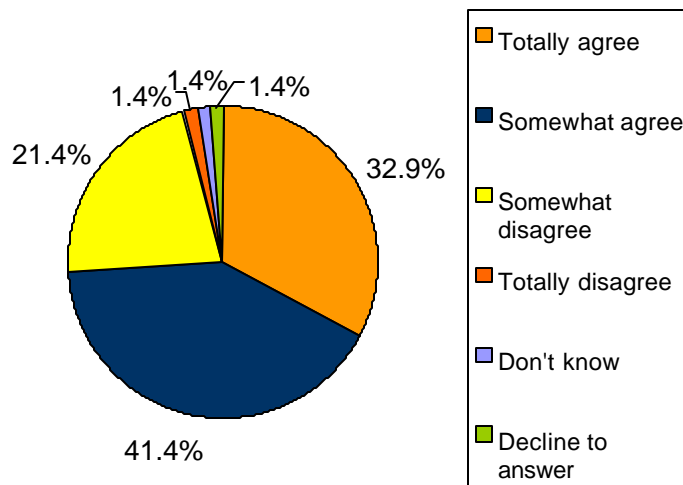
Theoreticians' responses were distinctly more cautious than practitioners'. Only 14.3% of theoreticians said they “totally agreed” with the statement, compared with 40.5% of practitioners.

The “somewhat agree” category received the support of 57.1% of theoreticians, compared with 40.5% of practitioners. Slightly more theoreticians (14.3%) than practitioners (9.5%) said they “somewhat disagreed” with the statement.

Here again, the Germans were more strongly favourable to the statement, with 57.1% choosing the “totally agree” response. Canadian experts (35.0%) and those in the European Union (33.3%) also favoured this answer, but in a distinctly less pronounced manner. Only 12.5% of British experts favoured this response, with 62.5% of them choosing “somewhat agree” and 25.0% saying they “somewhat disagreed”. The Americans, on the other hand, were unanimous (100.0%) in opting for “somewhat agree”.

**Question 5.** To what extent do you agree or disagree with the following statement: *In the years ahead, the role of the state will be more one of orienting and regulating economic activity than that of providing goods and services.*

Respondents were much less enthusiastic in stating that they “totally agreed” (32.9%) or “somewhat agreed” (41.3%) with the changes in the role of the state proposed by the statement. “Somewhat disagree” was the response chosen by 21.4%, with “totally disagree” and “decline to answer” accounting for 1.4% each.

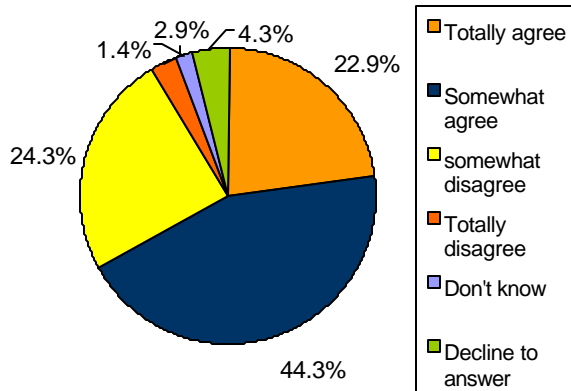


The issue of the changing role of the state brought out major differences among the experts: almost twice as many practitioners (40.5%) as theoreticians (21.4%) opted for “totally agree”. However, “somewhat agree” was chosen by similar percentages of the two groups of experts (42.9% of practitioners and 39.3% of theoreticians). On the other hand, theoreticians were far more likely (39.3%) than practitioners (9.5%) to say they “somewhat disagreed” with the statement.

Experts from the United Kingdom (62.5%) and Germany (57.1%) were mostly likely to say they “totally agreed” with the statement, followed by those from the European Union (33.3%) and Canada (24.0%). United States experts lagged far behind with 8.3%. U.S. experts differed in that 25.0% of them opted for the “somewhat disagree” category, followed by the Canadians (24.0%), European Union experts (16.7%), Germans (14.3%) and British (12.5%). Canadian experts were the only ones to choose the “totally disagree” category (4.0%).

**Question 6.** To what extent do you agree or disagree with the following statement: *Governments should rely less on conventional tools of intervention such as broad-based business grant and loan programs, even for small and medium-sized enterprises (SMEs).*

Relatively balanced, response to this question was divided among “totally agree” (22.9%), “somewhat agree” (44.3%) and “somewhat disagree” (24.3%). Respondents who “totally disagreed” accounted for 2.9%, while “don’t know” and “decline to answer” together accounted for 5.7% of total responses.

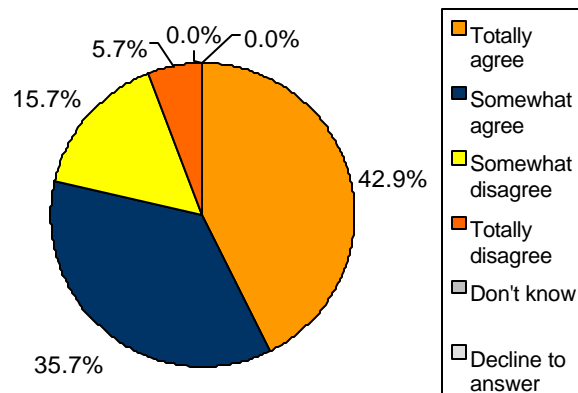


The opinion of practitioners was concentrated mainly in the “somewhat agree” category (52.4%), followed by “somewhat disagree” (23.8%) and “totally agree” (14.3%). Of the practitioners, 4.8% “totally disagreed” with the statement. Theoreticians were quite divided, with 35.7% saying they “totally agreed”, 32.1% saying they “somewhat agreed” and 25.0% saying they “somewhat disagreed”.

High rates of experts who “totally agreed” with the statement were found mainly in Germany (35.7%) and Canada (35.6%). Comparatively fewer experts in the United Kingdom (12.5%), United States (8.3%) and European Union (0.0%) shared this opinion. However, the latter were far more likely to say they “somewhat agreed”, a response chosen by 83.3% of experts in the European Union, 62.5% of British experts, 58.3% of those in the U.S., 35.6% of Canadians and 28.6% of Germans. Respondents who “somewhat disagreed” more often came from the United States (33.3%), Germany (26.6%) and Canada (20.8%). Respondents who “totally disagreed” with the statement were from Germany (7.1%) and Canada (4.0%).

**Question 7.** To what extent do you agree or disagree with the following statement: *The state has a key role to play in anticipating and shedding light on emerging trends to ensure that businesses, especially SMEs, have access to the tools they need to develop and grow.*

Of the experts consulted, 42.9% said they “totally agreed” and 35.7% said they “somewhat agreed” with the statement, while 15.7% “somewhat disagreed” and 5.7% “totally disagreed”.



Overall, practitioners were more likely (47.6%) than theoreticians (35.7%) to give their unqualified support to the statement. The “somewhat agree” response accounted for 38.1% and 32.1% of their answers respectively. More theoreticians than practitioners (14.3% vs. 0.0%) said they “totally disagreed”.

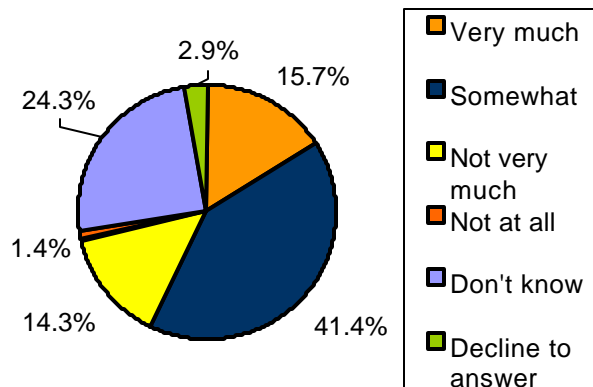
Strong proportions of respondents who “totally agreed” with the statement were noted in the European Union (66.7%), the United Kingdom (50.0%) and Canada (49.5%). The United States (33.3%) and, especially, Germany (21.4%) were less inclined to opt for this response.

Respondents who “somewhat disagreed” came from Germany (42.9%), the European Union (16.7%), Canada (8.6%) and the United States (8.3%), while experts who “totally disagreed” were Germans (14.3%), Americans (8.3%) and Canadians (3.8%).

**Question 8.** *In your view, are the new forms of territorial exclusion (zones in decline) engendered by the current redeployment of national economies taken into consideration in regional development policies in your country or in the countries covered by your organization?*

Responses to this question were, in general, more qualified in terms of breakdown, with 24.3% of respondents actually choosing the response “don’t know”, 41.4% choosing “somewhat”, and the “very much” and “not very much” categories accounting for 15.7% and 14.3% of answers.

There was relatively little difference between theoreticians and practitioners with regard to answers. They responded “somewhat” in 42.9% and 40.5% of cases respectively. However, three times as many practitioners (21.4%) as theoreticians (7.1%) chose to respond “very much”, while more theoreticians opted for “don’t know” (32.1%, compared with 19.0% of practitioners).

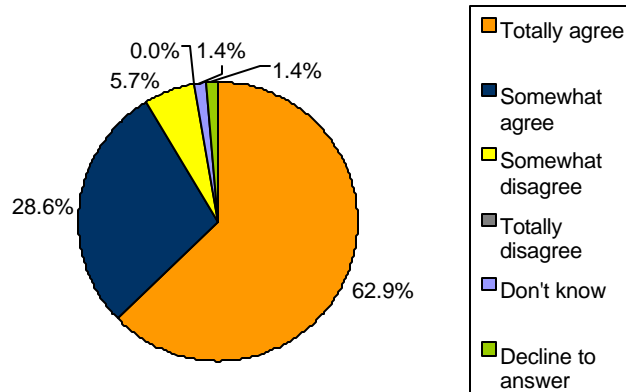


There was little difference in responses based on respondents' country of origin. Canadians (23.1%) and Germans (21.4%) were more likely to choose “very much” and more rarely chose the answer “not very much” (11.5% and 7.1%). By comparison, U.S. experts were especially averse to choosing “very much” (8.3%) as opposed to “not very much” (25.0%).

**SECTION 2: MODES OF INTERVENTION METHODS METHODS**

**Question 9.** To what extent do you agree or disagree with the following statement: *The availability of financial, technical and human resources does not guarantee successful program implementation. Governments must also create conditions conducive to the creation of flexible, varied mechanisms that mobilize stakeholders (businesses, intermediary groups, institutions, etc.).*

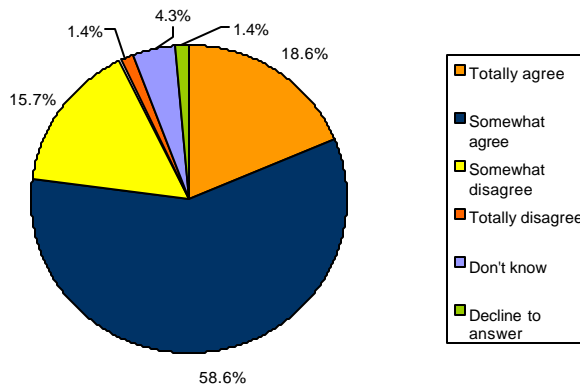
A strong majority (62.9%) of respondents said they “totally agreed” with the statement. The “somewhat agree” category accounted for 28.6% of answers. Respondents who “somewhat disagreed” accounted for 5.7%, and 1.4% declined to answer. The responses from practitioners and theoreticians differed by only a few points.



The highest proportion of experts who “totally agreed” with the statement were in Canada (75.5%) and Germany (71.4%). In the United Kingdom, 62.5% chose this answer, as did 41.7% in the United States. Respondents who “somewhat disagreed” were from the United States (8.3%), Germany (7.1%) and Canada (5.7%).

**Question 10.** To what extent do you agree or disagree with the following statement: *There is a growing trend among governments to develop and support the ability of intermediary groups to provide services for businesses and entrepreneurs.*

The experts consulted indicated moderate support for this statement. The “somewhat agree” category accounted for 58.6% of responses, compared with “totally agree” (18.6%) and “somewhat disagree” (15.7%).

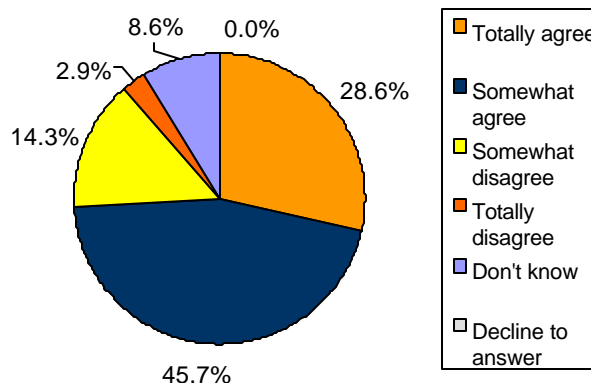


This caution was especially common among theoreticians, 25.0% of whom said they “somewhat disagreed”, compared with 9.5% of practitioners. The “totally agree” response accounted for 21.4% of practitioners, as against 14.3% of theoreticians.

Canada (34.0%) and the United States (25.0%) accounted for the highest percentages in the “totally agree” category. The “somewhat disagree” category was especially dominant among experts from the European Union (50.0%) and the United Kingdom (37.5%). Canadians (5.7%) and Germans (7.1%) brought up the rear in this category. In addition, 85.7% of Germans chose the “somewhat agree” category.

**Question 11.** To what extent do you agree or disagree with the following statement: *In the years ahead, governments should help position intermediary groups as strategic players in the new economy.*

The “somewhat agree” response was selected by 45.7% of respondents. “Totally agree” and “somewhat disagree” accounted for 28.6% and 14.3%. “Totally disagree” was chosen by 2.9%, and almost three times as many (8.6%) opted for “don’t know”. There was little difference between the answers from practitioners and theoreticians, except in the “somewhat agree” and “totally disagree” categories, where their opinions accounted for 54.8% and 0.0% (practitioners) and 32.1% and 7.1% (theoreticians).

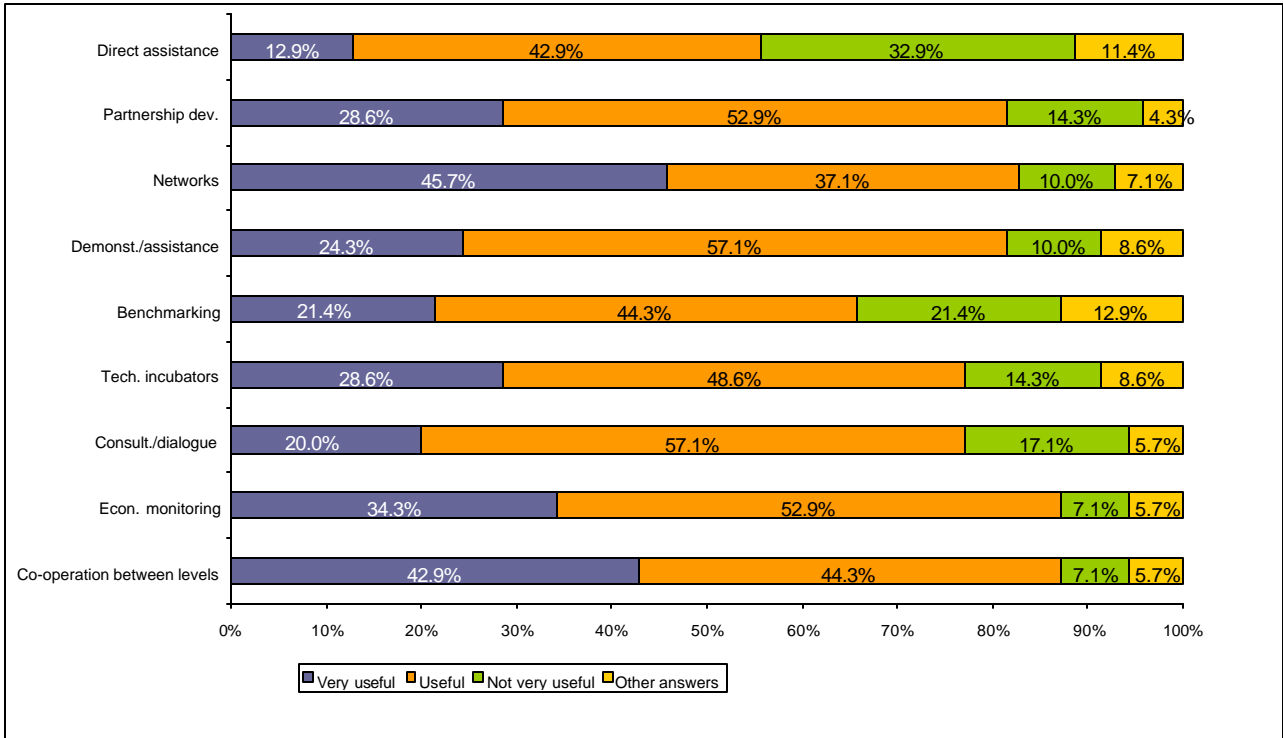


The highest percentage of respondents who “totally agreed” with the statement were from Canada (41.1%), followed by experts from Germany (28.6%), the European Union (16.7%), the United States (16.7%) and the United Kingdom (12.5%). Respondents who “somewhat disagreed” were mainly from Germany (21.4%), the United States (25.0%) and the European Union (16.7%).

**Question 12.** A review of the various programs for promoting and supporting economic development reveals nine main types of mobilization mechanisms. *How would you rate each type?*

- a) Direct assistance to businesses
- b) Support for partnership development
- c) Networks (voluntary, loosely structured co-operation agreements)
- d) Demonstrations and technical assistance
- e) Benchmarking
- f) Technology incubators, centres of excellence and technology parks
- g) Consultation and dialogue mechanisms
- h) Economic monitoring and knowledge transfer
- i) Co-operation between levels of government





Analysis of the responses obtained indicates a strong preference on the part of respondents for some mobilization mechanisms: networks (45.7%), co-operation between levels of government (42.9%) and economic monitoring and knowledge transfer (34.3%) were generally considered “very useful”. If we combine the “very useful” and “useful” categories in a single block, these three mechanisms win the approval of 82.8%, 87.2% and 87.2% respectively of respondents. Conversely, four mechanisms were more frequently labelled “not very useful”: direct assistance to businesses (32.9%), benchmarking (21.4%), consultation and dialogue (17.1%) and technology incubators, parks and centres of excellence (14.3%).

In general, practitioners and theoreticians were fairly close (average of 29.6% vs. 27.4%) in judging mobilization mechanisms as being “very useful”. However, theoreticians were more likely than practitioners to consider them “not very useful”, with overall averages for all mechanisms of 21.0% and 10.8% respectively. This trend was especially notable with regard to assistance to businesses, considered “not at all useful” by 14.3% of theoreticians as against 2.4% of practitioners. Theoreticians were even half as likely (7.1%) as practitioners (16.7%) to consider this mechanism “very useful”.

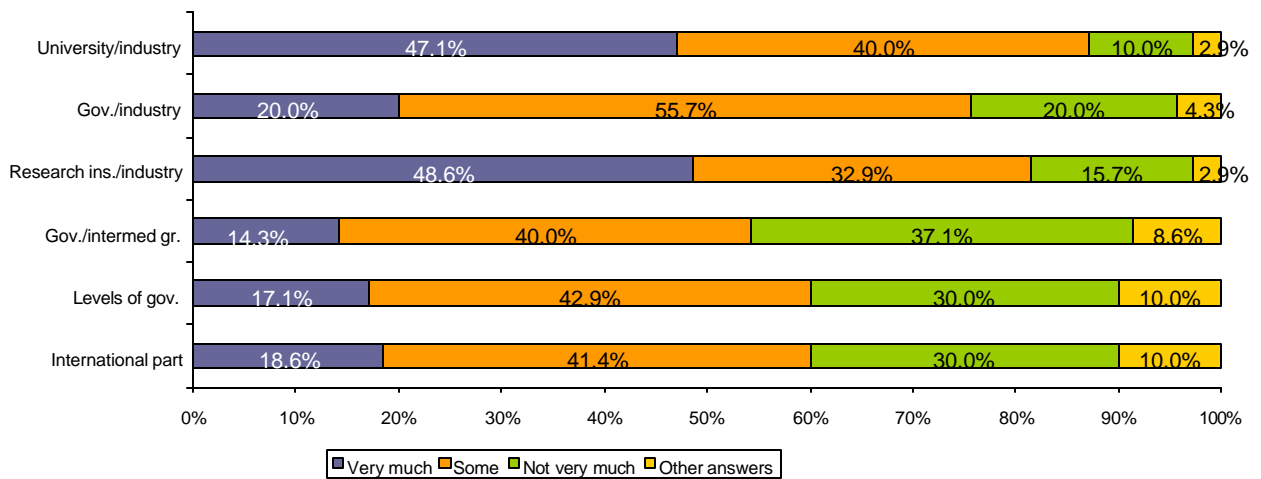
The geographic provenance of the respondents also revealed differences in the opinions gathered:

The mechanism that received the highest response rate was networks, considered “very useful” by 55.6% of Canadians and 50.0% of Germans.

Conversely, direct assistance to businesses was considered “not very useful” by 64.3% of Germans, while support for partnership development and the development of networks were both considered “not very useful” by 25.0% of Americans.

**Question 13.** The growing number of partnerships is attracting increasing attention. Partnerships are co-operation agreements of a more or less formal nature between private and public players in the areas of human resources, finance, research and infrastructure. *How much importance are governments placing on the six types of partnership listed below?*

- a) University/industry partnerships
- b) State/industry partnerships
- c) Research institute/industry partnerships
- d) State/intermediary group partnerships
- e) Partnerships between levels of government
- f) International partnerships



The partnerships considered the most important by respondents were those between research institutes and industry (48.6%) and between universities and industry (47.1%). Conversely, the partnerships considered the least important were those between government and intermediary groups (14.3%), international partnerships (18.6%) and partnerships between levels of government (17.1%).

However, opinions varied, depending on whether the respondent was a practitioner or a theoretician. Thus, 54.8% of practitioners were of the opinion that partnerships between universities and industry were very important, as opposed to 35.7% of theoreticians. These percentages increased to 54.8% and 39.3% respectively for partnerships between research institutes and industry. There was a similar discrepancy for partnerships between government and intermediary groups, with practitioners opting for “very much” in 19.0% of cases, compared with 7.1% for theoreticians.

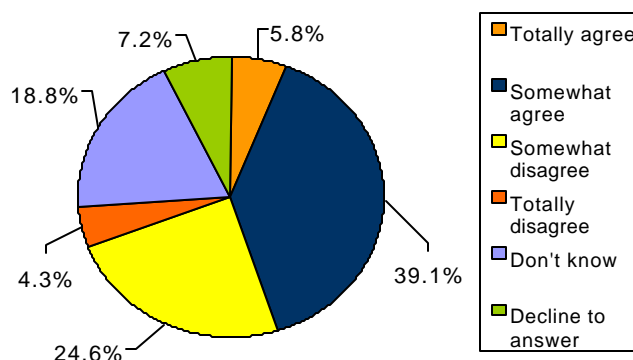
There are also differences when we compare responses by respondents' country of origin. Thus, 64.3% of Germans, compared with 25.0% of Americans, considered partnerships between universities and industry and between research institutes and industry to be very

important. Partnerships between government and intermediary groups were considered very important by only 22.2% of Canadians and 7.1% of Germans.

Respondents from Germany (50.0%) and the United Kingdom (50.0%) were much more likely than those from Canada (25.9%) to consider partnerships between government and intermediary groups not very important. Lastly, half the U.S. experts (50.0%) felt that international partnerships were not very important.

**Question 14.** To what extent do you agree or disagree with the following statement: *Governments should encourage networks rather than partnerships.*

The answers obtained indicate that opinion is divided with regard to the statement. Almost as many respondents opted for “totally agree” (5.8%) as for “totally disagree” (4.3%), with the most popular answer being “somewhat agree”, which garnered 39.1% of responses. The “don’t know” category accounted for 18.8% of answers, and 7.2% declined to answer. The number of respondents choosing these last two answers was greater for this question than for any of the other closed questions.



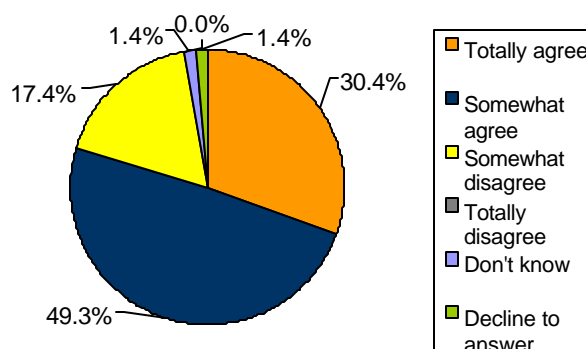
In general, theoreticians were less unanimous in their opinions than practitioners. Almost twice as many theoreticians (7.4%) as practitioners (4.8%) said they “totally agreed” or “totally disagreed” (7.4% vs. 2.4%). Also, twice as many theoreticians (11.1%) as practitioners (4.8%) did not answer the question. On the other hand, twice as many practitioners (31.0%) as theoreticians (14.8%) said they “somewhat disagreed” with the statement. The “don’t know” category accounted for 19.0% of practitioners and 18.5% of theoreticians.

With the exception of the Germans (23.1%), few respondents said they “totally agreed” with the statement. This opinion was held by 8.3% of Americans, and no one in any of the other countries selected this answer (0.0%). The “totally disagree” category was chosen only by experts in Germany (15.4%) and the United Kingdom (12.5%), and no one in the other countries selected this response (0.0%). The “somewhat disagree” category was favoured by 50.0% (European Union), 25.0% (United States), 20.8% (Canada), 15.4% (Germany) and 12.5% (United Kingdom).

**Question 15.** To what extent do you agree or disagree with the following statement: *Governments and other regional and local stakeholders use an ever-increasing variety of targets, approaches and instruments to foster economic development.*

Respondents favoured the “totally agree” and “somewhat agree” responses at the rate of 30.4% and 49.3%, while 17.4% of experts said they “somewhat disagreed”, 1.4% opted for “don’t know”, and the same percentage declined to answer.

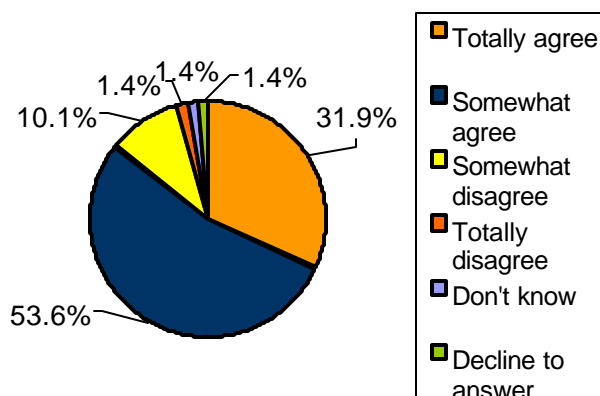
Compared with theoreticians, practitioners more often tended to say they “totally agreed” (33.3% vs. 25.9%) or “somewhat agreed” (54.8% vs. 40.7%) with the statement. Theoreticians were more inclined to say they “somewhat disagreed” (29.6%), compared with practitioners (9.5%).



There were differences among respondents based on their countries of origin: 50% of UK and European Union experts said they "totally agreed" with the statement, compared with 41.7% from the United States, 31.1% from Canada and 15.4% from Germany. More Germans (46.2%) said they "somewhat disagreed" with the statement, followed by experts from the European Union (16.7%) and Canada (14.6%).

**Question 16.** To what extent do you agree or disagree with the following statement: *Mobilization mechanisms (partnerships, networks, technical assistance, etc.) are a means of action that enables governments to involve economic stakeholders in a more active and strategic manner in the development of their area.*

Most of the respondents questioned said they “somewhat agreed” (53.6%) or “totally agreed” (31.9%) with the statement. The “somewhat disagree” category accounted for 10.1% of answers, with 1.4% of respondents choosing “don’t know” and the same percentage declining to answer. While the breakdown of answers was relatively similar between practitioners and theoreticians, more theoreticians (18.5%) said they “somewhat disagreed” than did practitioners (4.8%).

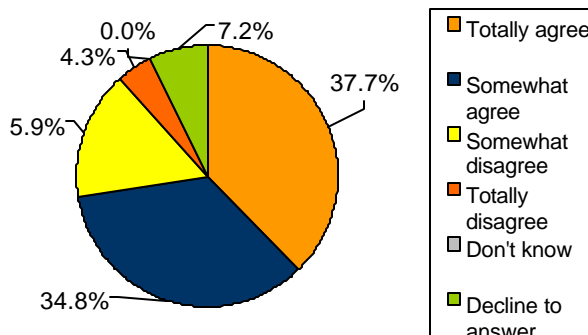


Somewhat fewer than average experts in the United Kingdom and the United States (25.0%) chose the “totally agree” category, unlike their peers in Canada (38.5%), the European Union (33.3%) and Germany (30.8%).

The British, however, opted much more often than average for the “somewhat agree” category (75.0%). The “somewhat disagree” response was preferred by 16.7% (European Union), 11.5% (Canada), 8.3% (United States) and 7.7% (Germany).

**Question 17.** To what extent do you agree or disagree with the following statement: *The requirements of the knowledge-based economy spur governments to take a different approach to economic development. Increasingly, they must anticipate and analyse issues and articulate a coherent vision that rallies stakeholders.*

The opinions gathered were quite divided with regard to the statement. The “totally agree” response was chosen by 37.7% of respondents, “somewhat agree” by 34.8%, “somewhat disagree” by 15.9% and “totally disagree” by 4.3%.



Practitioners were more likely than theoreticians to say they “totally agreed” (45.2% vs. 25.9%) and less likely to choose “somewhat disagree” (11.9% vs. 22.2%). In addition, theoreticians tended more to say they “totally disagreed” with the statement (11.1%) than practitioners (0.0%).

Responses also differed depending on respondents' country of origin: the highest rate of “totally agree” responses was found among experts from the European Union (66.7%) and Canada (57.1%), compared with German (7.7%), U.S. (16.7%) and U.K. (25.0%) experts. The British were also more likely than average (75.0%) to say they “somewhat agreed”.

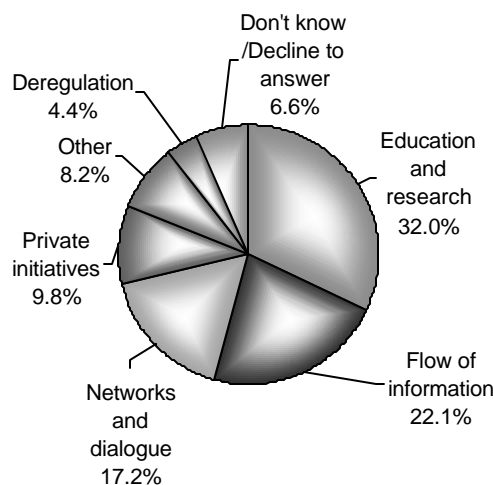
Conversely, the “somewhat disagree” category was popular with Germans (46.2%) and, to a lesser extent, with Americans (16.7%) and Canadians (8.6%). No other respondents chose this answer (0.0%). However, 16.7% of U.S. experts, 15.4% of German experts and 3.8% of Canadian experts declined to answer, a response not chosen by respondents in any of the other countries.

## 2.2 Answers to open questions

**Question 18a.** In your view, given that economic development is increasingly knowledge- and information-driven:

a) *What types of intervention should government favour?*

To analyse the answers obtained for Question 18a, we have broken them down into seven categories.



The categories are as follows:

- Education and research (32.0%), eg., “Improve systems for education and ongoing training”.
- Flow of information (22.1%), eg., “Ensure a climate conducive to the extensive flow of knowledge and information”.
- Networks and dialogue (17.2%), eg., “Foster the adoption of knowledge by networks and enterprises. This means: 1) circulate and sometimes produce this information; 2) facilitate learning by firms and networks to interpret and use information”.
- Private initiatives (9.8%), eg., “Work our way out of traditional roles of funding (...). by encouraging more private participation”.
- Deregulation (4.4%), eg., “No direct interventions into markets; creating a single and predictable legal and administrative framework deregulation liberalization”.
- Other (8.2%), eg., “Reward success rather than subsidizing failure”.
- Don’t know/Decline to answer (6.6%)

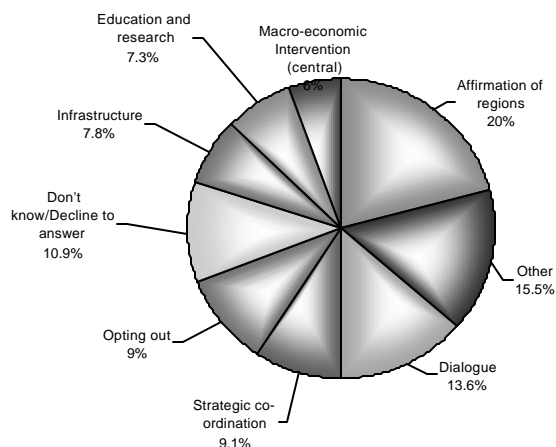
Despite the variety of answers reported, education and research ranked first among the intervention methods mentioned, accounting for 32.0% of comments. Activities related to the flow of information came second, with 22.1%, followed by networks and dialogue, with 17.2%.

Less frequently mentioned, the four other categories shared the remaining 28.7%: they were private initiatives (9.8%), the “other” category (8.2%), measures favouring deregulation (4.4%) and the “don’t know/decline to answer” category (6.6%).

**Question 18b.** In your view, given that economic development is increasingly knowledge- and information-driven:

*b) What specific roles should central or federal governments play in implementing regional economic development policies?*

To analyse the answers gathered, we have broken them down into nine categories.



The categories are as follows:

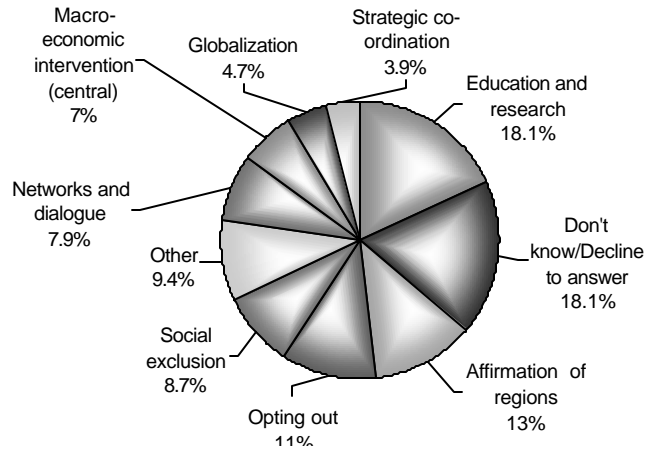
- Affirmation of the regions (20.0%), eg., “Support regional development programs defined by regional and local governments”.
- Dialogue, co-ordination and communication (13.6%), eg., “Co-ordination and dialogue; exchange of best practices; co-operative funding of administration; networking of centres of excellence or competence”.
- Strategic co-ordination and broad approaches of central government (9.1%), eg., “Give authority to the regions and the main city within a broad framework (main approaches), but let them decide on the methods”.
- Government opting out (9.0%), eg., “Get out of the way”.
- Development of infrastructure (7.8%), eg., “Ensuring the uniform maintenance, as far as possible, of central government infrastructure”.
- Education and research (7.3%), eg., “Increasing higher education; invest in university research”.
- Macro-economic intervention by central government (6.0%), eg., “Create a favourable legislative, administrative, fiscal, macro-economic, etc. environment”.
- Other (15.5%), eg., “Involving/consulting citizens in formulation of policy framework policies”.
- Don't know/Decline to answer (10.9%)

The answers to this question were extremely varied, with no one category accounting for more than 23 out of 107 responses.

The most popular category (affirmation of the regions) accounted for 20.0% of answers overall, followed by the “other” category (15.5%) and dialogue (13.6%). These were followed, in decreasing order of importance, by strategic co-ordination and the definition of broad approaches by the central government (9.1%), government opting out of the economy (9.0%), infrastructure development (7.8%), education and research (7.3%) and macro-economic intervention by the central government (6.0%). The “don't know/decline to answer” category accounted for 10.9% of answers.

**Question 19.** *In your view, what will be the most significant trends in the evolution of regional economic development policies over the next five years?*

For analysis purposes, the answers to question 19 have been broken down into 10 categories.



The categories are as follows:

- Education and research (18.1%), eg., “Move from industrial to knowledge-based economy requires that education systems are prepared for the change and have the tools to participate fully”.
- Affirmation of regions (13.0%), eg., “Implementation of mechanisms to facilitate local development and taking charge by local players”.
- Opting out by government and decreased direct assistance to business (11.0%), eg., “Abandonment of all direct assistance measures for businesses”.
- Stepping up of government’s commitment to deal with social exclusion (8.7%), eg., “Personalized, comprehensive approach to social inclusion and development in problematic urban areas”.
- Networks and dialogue (7.9%), eg., “Better use of intermediary groups as extensions of government action”.
- Macro-economic intervention by central government (7.0%), eg., “To give help in creating new companies; the concentration in the companies to their really own business”.
- Globalization (4.7%), eg., “Globalization of economic relations”.
- Strategic co-ordination and broad approaches by central government (3.9%), eg., “Economic development in the future will require a much more broad-based, "horizontal" approach between government departments. Co-ordination of this type of approach will be critical”.
- Other (9.4%), eg., “More citizen involvement through more transparent decision making and better informed citizenry (due to the Web)”.
- Don't know/Decline to answer (18.1%)



As with the previous question, the answers to this question were notable for their diversity, with the 10 categories of answers each accounting for between five and 23 responses out of a total of 123.

We should first point out the comparatively high percentage of respondents who did not answer this question. They totalled 23, or 18.1% of all answers and 32.9% of all respondents—nearly one third.

The other categories of response that stood out were education and research (18.1%), affirmation of regions (13.0%) and opting out by government (11.0%). These were followed, in decreasing order of importance, the “other” category (9.4%), by stepping up of government’s commitment to deal with social exclusion (8.7%), the creation of networks and dialogue (7.9%), macro-economic intervention by central government (7.0%), globalization (4.7%) and strategic co-ordination and definition of broad approaches by the central government (3.9%).

## **CONCLUSION**

The first conclusion to emerge is that a very high percentage of respondents (over 90%) feel that the current situation is forcing societies to rethink the role of government. While this re-evaluation of the place of the state does not, for respondents, inevitably mean a decline in its importance, they are nevertheless very clear and almost unanimous in supporting the need for governments to take into account the new issues emerging from this context and create better conditions so that all involved can play their roles more effectively. Practitioners and theoreticians from all countries shared this point of view fairly equally, with practitioners, however, being more categorical as to the need to take new competitiveness factors into account.

Although support from respondents was relatively high (over 70%) with regard to the statements that the new role of government was to direct or regulate, anticipate, clarify, analyse or take action to make intermediary groups into strategic players, these new roles nonetheless received less support, and over 20% of respondents even disagreed with them. What is especially interesting to note in this regard is the very strong difference between the responses of practitioners and theoreticians. Practitioners were distinctly more in favour of these new roles for the state than theoreticians, who, in general, disagreed with these statements three times more often than practitioners.

The rate of favourable responses exceeded 80% when respondents were asked to confirm the larger place occupied by intermediary groups in economic development and the increased variety of tools, approaches and mobilization mechanisms used by governments for this purpose. Here, too, theoreticians expressed their disagreement with these points of view more categorically.

Among the questions receiving the lowest rate of agreement (65% and less), we must mention that dealing with the smaller place to be occupied by traditional intervention tools. On this point, one quarter of practitioners and theoreticians were in disagreement, and theoreticians were twice as likely as practitioners to totally agree. Respondents were thus willing to envisage new roles for government, but expressed reservations on the need to call traditional intervention methods into question. In the same way, they did not feel that government had been very effective in dealing with the problems of areas in decline. Only

14% of respondents said that governments had taken these problems very much into consideration.

With regard to the evaluation of the nine main types of mobilization mechanisms, we can very clearly see three types of answers. In the first type, we include the five mechanisms that had a very high approval rate in terms of usefulness, that is, over 80%. They are, in order of importance, co-operation between levels of government, economic monitoring and knowledge transfer, networks, support for partnership development, and demonstration and technical assistance. A second group of mechanisms evoked answers that indicated slightly less clarity as to their usefulness, with 20% of respondents considering them not to be very useful. They were benchmarking, technological incubators and consultation/dialogue. Lastly, one mechanism, direct assistance to business, received little support, with 40% of respondents considering it not very or not at all useful. Practitioners and theoreticians shared much the same points of view in this regard.

With regard to the importance that government should place on the six types of partnerships presented, three were important: university/industry partnerships, research institute/industry partnerships and government/industry partnerships. More than 80% of respondents felt that governments should place some or considerable importance on them. In terms of partnerships between government and intermediary groups, partnerships between different levels of government and international partnerships, less than 60% of respondents said governments should place some or considerable importance on them, while over 35% felt little or no importance should be placed on them.

A number of highly interesting considerations emerged in the answers to the open questions. In terms of intervention methods that should be favoured, we must mention the importance placed on education, research and the flow of information. With regard to the roles that governments should play in implementing regional economic development policies, many respondents favoured policies that would strengthen the regions and require dialogue and co-ordination of efforts. Here, too, education and research should be used in taking action. Questioned on the strongest trends in regional economic development policy, respondents once again brought out the need to foster education, research and affirmation of the regions. Government opting out of some activities in favour of others, such as, for example, combating exclusion, was also mentioned by a number of respondents. In summary, respondents wanted government commitment to regional economic development to be directed more toward the establishment of conditions conducive to economic development, and wanted government intervention, of a macro-economic or general policy nature such as education and research, to be combined with action that would strengthen the regions.