

RESTRICTED

ORGANIZATION OF REGIONAL DEVELOPMENT PLANNING ACTION

(TRANSLATION)

PREPARED FOR THE ORGANISATION
FOR ECONOMIC CO-OPERATION
AND DEVELOPMENT

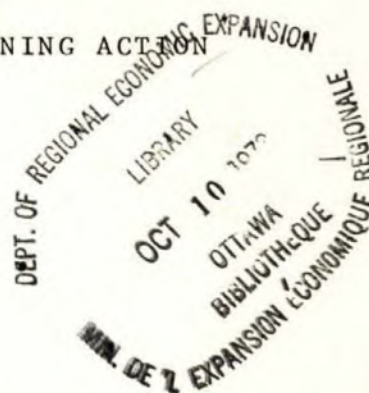
DEPARTMENT OF REGIONAL ECONOMIC EXPANSION
OTTAWA, CANADA MARCH 1970

HT
391
.C324

C324

Industry, Trade
and Commerce
Industrie
et Commerce
FEB 7 1983
Library
Bibliothèque

ORGANIZATION OF
REGIONAL DEVELOPMENT PLANNING ACTING



Paper Presented at a Meeting of Working
Party No.6 of the O.E.C.D.'s Industry
Committee, Paris, March 24-25, 1970

Department of Regional Economic Expansion

Ottawa

CANADA

March, 1970

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	iii
THE MECHANISMS OF THE STATE AND ECONOMIC AND SOCIAL DEVELOPMENT PLANNING	1
1. An Attempt to Define the Problem	2
2. Structural Adaptation of the Mechanisms of the State...	4
2.1 Increase of Administrative Power	4
2.2 Setting Up Intermediate Apparatus for Direction and Coordination	5
2.3 Decentralizing the Administration	6
OBSTACLES INHERENT IN THE ADMINISTRATIVE SYSTEM	8
1. The Organization of Inter-Departmental Coordination ...	9
2. The Organization of Administrative Decentralization ...	12
CONCLUSION	15
APPENDIX:	
THE ADMINISTRATION OF THE EASTERN QUEBEC REGIONAL DEVELOPMENT PLAN	18

INTRODUCTION

One of the main problems of economic and social development planning in a liberal industrial society concerns the adaptation of the mechanisms of State to its new role as a prime mover in this field.

As an introduction to a wider study aimed at the problem of regional planning by the State, it is necessary, to begin with, to identify a number of factors which govern the organization of planning activities.

In the first place, it will be suggested that the essential element in planning is that the parties involved act in concert. Changes in the role, and above all in the structure of the mechanisms of the State that are demanded by the organization of this joint action, are examined.

Secondly, we will touch upon a study of the obstacles which will confront the organization of inter-departmental coordination and administrative de-centralization.

Finally, we will discuss briefly the complementary problem of communication between the State and its social and economic partners in this regional planning venture.

MECHANISMS OF THE STATE AND
ECONOMIC AND SOCIAL DEVELOPMENT PLANNING

1. AN ATTEMPT TO DEFINE THE PROBLEM

In liberal industrialized societies, the State is called upon to play a decisive role in matters of economic and social development.(1)

In fact, to the extent that development leads to a transformation of all the economic and social structures, and inasmuch as the planning of such development requires the intervention of an outside agent in order to rationalize processes, the responsibility for directing it belongs to the collectivity itself, acting through the State which it establishes.

Many factors have forced the State to intervene as planning agent in the economic field, and more particularly the emergence of its social function or role. Intervention by the State appears increasingly necessary in relation to the elimination of unemployment, income guarantees and job security, to raising levels of assistance, equalizing opportunities, and to equitable redistribution of incomes. While adding to the State's burden and making it necessary to plan the expenditures allocated to social development, the growth of the welfare state has become a major element in economic development if only because of the impact of the state's budget on economic activity.

Conversely, to ensure coherent social development, it is necessary to ensure the harmonious development of economic activity itself, and to organize the economic forces at work.

The importance of this role of the State as prime mover is further borne out when we consider the regional dimension. There is no denying the necessity for intervention by an outside agent (and consequently

(1) In this paper, "State" denotes the ensemble of the nation's political institutions; "government" designates the legislative systems and the cabinet or the aggregate of elected representatives and "administration" refers to the aggregate of the administrative agencies of the State (e.g., departments, councils, commissions, etc.).

by the State) when it comes to setting up dynamic regional units, and planning their economic and social development, or when it is necessary to establish an inter-regional equilibrium of the overall development.

What changes in the traditional political relationships govern these new exigencies and this change in the role of the State? It seems that the crux of the problem lies in the organization of concerted action.

Traditionally, the role of the State was limited in this context to safe-guarding individual freedoms and maintaining law and order. Called upon to act as planning agent in the economic and social sphere, the State now has to make choices which will influence the life of society as a whole and to impose them with authority.

However, the State as planner cannot have a monopoly on rationality or on pertinent information. If it is important that the State obtain the power to make decisions and to arbitrate with respect to planning, this power will only be fully effective to the extent that provision exists for all participants, on the one hand, to be associated with, or consulted during the preparation of collective plans and, on the other hand, contest the State's activities in these same matters.

The traditional political interactions are, therefore, destined to be transformed, not only as to the roles and functions of the participating entities, but also as to the structures and processes by which these entities interact. The traditional game of democracy will also have to change. It can no longer be confined, within a given social context and legal order, to the struggle for accession to the power to govern. It is becoming necessary for the very substance of political decisions to be subject to discussion and approval on a continuing basis.

Concerted action concerning the decisions of the State does not necessarily mean transforming it into a vast system of co-government, or replacing the traditional system of election of leaders, by another system based on the participation of intermediary groups. Concerted action only retains its meaning as long as the partners remain identifiable and identified. It is as much opposed to the integration of the State's economic and social partners into the mechanisms of the State as it is to the disappearance of the political into the economic and social.

Thus an effort must be made to understand the practical implications of establishing such a concerted action, especially in regional development planning. In particular, we must try to determine what structural changes are required in the mechanisms of the State by concerted action between the state and its economic and social partners, and what changes in structures are required for relationships between the state and its partners.

2. STRUCTURAL ADAPTATION OF THE MECHANISMS OF THE STATE

Insofar as the state wishes to assume its rightful role as the prime mover in development planning, a measure of structural change must be made in the mechanisms of the state.

2.1 Increase of Administrative Power

It seems essential at the outset to redefine the functions of administration. Administration should be given clearer, if not greater, powers not only in preparation, recommendation and implementation of development plans, but also in consultations with the economic and social partners of the State.

There are two main reasons in support of this proposition.

Firstly, the government must be able to act as the appointed representative of the collectivity in guiding development, and in selecting general strategies, in giving final approval to plans and in exercising control over their implementation. Furthermore, administration itself must acquire a new role in becoming a third actor in the economic and social domain. It seems then essential that the "policy" role of government be distinguished from the administration's social and economic role so that the government may play its role of arbiter, not only between the administration and the social and economic actors, but also between the diverse organisms which constitute the administration.

The government can hardly be simultaneously guarantor or arbitrator of public interest and actor or party therein. It is, therefore advisable that the government delegate part of its decision-making powers to the administration. However, such powers will only be fully significant if the government itself can establish accurately beforehand the main objectives of development and the use of available financial resources.

Secondly, to the extent that the concerted action between the State and its economic and social partners must be achieved outside of the partisan struggles for power, it becomes necessary to establish this not at the summit - the level of government in the literal sense - but at a lower level, thus still allowing government to settle disputes or disagreements. In order to do this, the administration must have well-defined responsibilities and adequate power; otherwise, the partners of the State must continue to make contact directly with elected officers concerning questions which can very well be resolved at the level of their relationships with the administration.

It is not difficult to recognize that the closer we get to major political decisions, the more exclusive is the power of the State. Parliament has the supreme authority, and here at the government level, it is hard to imagine the influence of discussions between the intermediaries, unless a new kind of parliament is established. On the other hand, however, if concerted action must be instituted at a lower level - that of the administration - and open participation is sought, it is essential that the authority of the administration be the result of an adequate delegation of governmental authority.

Participation in the decisions of government must therefore be achieved through interaction between the agencies comprising the administration and the economic and social partners of the State, with the government reserving for itself the right of final decision and main arbitration.

2.2 Setting Up Intermediate Apparatus for Direction and Coordination

Even if the administration has been given sufficient power, two problems still remain to be solved: those of coordinating efforts among administrations and of decentralizing administration.

Coordinating the efforts of the various administrative bodies is one of the major problems in the rational organization of a planning activity of the State. It is well known that government departments and other administrative agencies within certain limits can determine the goal of their activity, or at least their strategies. Their power within the State's mechanisms will frequently be the power to impose on others respect for their freedom of action. Hence the prospect of having to engage in a common effort with other administrative agencies, as is the case in development planning, is bound to threaten the autonomy so jealously guarded by each agency, or at least to require that each accept a limitation in the exercise of that freedom.

For this reason, coordination cannot be accepted by the agencies concerned without negotiation, and more or less continuing negotiation.

Raising the problem of coordination and negotiation between the agencies of the State, simultaneously poses the problem of the organization of intra-administrative relations. One may well wonder whether such an organization does not require the setting up of a new type of administrative apparatus acting, in fact, as intermediate centres for making decisions concerning the preparation, recommendation and direction of comprehensive plans.

But the creation of such an apparatus may also be necessary to facilitate concerted action between the State and its economic and social partners; indeed it is important that the latter be able readily to identify the administration's spokesmen responsible for plans as a whole. Setting up this intermediate apparatus would reduce the number of spokesmen and make it possible to channel exchanges towards the appropriate administrative agencies.

2.3 Decentralizing the Administration

If the State's planning effort must also be an effort in regional development, another change in the structure of the State's administration is imperative: its decentralization. Development planning requires the institution of structured relationships of the main administrative actors at the national, regional and sub-regional levels among themselves, and with their economic and social partners.

To the extent that the State undertakes regional development planning, the effectiveness of its effort demands that the lower echelons in the administration participate in the decision-making, whether this entails participation by sub-regional units in preparing and carrying out the development plans of the regions, or by regional units in preparing and carrying out more comprehensive plans. Furthermore, this participation should be sufficiently clear and recognized by the upper levels of the administration to push the State's partners to organize themselves and to interact with the administration at each of these levels.

A distinction needs to be made between decentralization within the administrative agencies and decentralization of the intermediate apparatus for direction and co-ordination to which we referred above.

For all administrative agencies concerned, decentralization means:

- creating or rearranging the limits of their territorial divisions so as to set up coherent divisions assigning to the regional officers of these agencies the power to act and take initiatives in the preparation of programs with regional implications, and to interact with the representatives of sub-regional interests so that the action programs of the administrative agencies will be adapted as closely as possible to sub-regional needs and projects;
- giving these same officers greater power of decision with respect to the preparation of budgets and the execution of programs and the integration of the sub-regional officers concerned under a single regional authority;

- setting up inter-regional coordinating mechanisms entailing the participation of these regional authorities not only in preparing, but also in carrying out programs with inter-regional effects.

As it relates to inter-departmental coordination, administrative decentralization requires:

- creation at the regional level of apparatuses for intermediate direction and coordination to orient and integrate the programs of administrative agencies with one another, and having power to make recommendations to higher authorities respecting the regional or inter-regional implications of development plans for the regions;
- placing in structured relationship these intermediate apparatuses, and their mandatory participation in decisions of higher echelons which have implications for the inter-regional balance of development plans.

OBSTACLES INHERENT IN THE ADMINISTRATIVE SYSTEM

The changes that have just been suggested will not be achieved without difficulties.

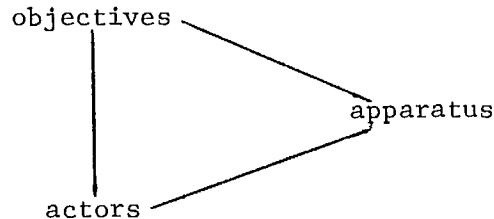
It is the hope of overcoming some of the obstacles encountered in this type of reorganization that has prompted us to discuss the creation of an intermediate apparatus for direction and coordination, and the move towards decentralization. In fact, while setting up an intermediate apparatus makes it easier to solve the problem of the compartmentalization of administrative bodies, decentralization in turn is aimed at reducing the excessively hierarchical structure of administrative units.

There is no magic solution applying to the dual problem of compartmentalization and hierarchy. However, it is possible to suggest a model for analysis that could at least help to consider them objectively. That is what we propose to show in the second part of this paper.

1. THE ORGANIZATION OF INTER-DEPARTMENTAL COORDINATION

The nub of the problem of participation by various administrative agencies in the common undertaking which a development plan can constitute, lies to a large extent, as indicated above, in the ability to organize their interaction and their negotiations, on a relatively continuing basis and in a structured manner.

It is a matter of establishing relations between the main components of such an organization: its actors, that is, the administrative bodies involved; its apparatus, which designates the sum of the structures and mechanisms needed to direct the undertaking and inter-departmental coordination; and the actual objectives of the operation, which are the organization's reasons for existing. Furthermore, it is a matter of considering the relations established between these same components as systemic connections. The organization is also defined as a system, that is, as an identifiable set of elements in continuing tension with one another.



This tension arises from the autonomy or degree of freedom of each element involved, and from their inter-dependence. It also stems from the existence of relationships which are established between these elements and which could be defined as relationships of dominance. For not every element comprising a system has the same weight; if at a given moment this may be the case, there is little likelihood that such an equilibrium could last for long.

In the analysis of relationships between the elements of a system the focus may be on any one of these elements. In studies of organizations, this element, owing to its central theoretical function, is usually the apparatus. The problem of the analysis, therefore, consists in studying the "objectives - apparatus - actors" relationships as those of interdependence and dominance. More precisely, by postulating the central role of the apparatus, the question becomes one of determining not only the weight of the apparatus within the organization, but also how these relations operate and how the apparatus acquires, maintains or loses a position of dominance.

The main components of the organization are: its objectives, sub-objectives and strategies for action; its actors according to their degree and method of involvement in the undertaking; the apparatus and its various elements, its functions and rules of procedure. Once these components have been properly identified and described, the next step is to analyse the relationships that will become established within the organization between its apparatus and its actors.

The first thing to do is to define their nature. The main function of the apparatus as the intermediate decision-making centre is to direct the inter-departmental planning effort. The relationships which it must maintain with the administrative agencies as actors in organizing the plan can be considered as relationships between a directing and decision-making body on the one hand, and the actors making proposals or requests on the other. The essential characteristic of this type of relationship is that it appears to be a power relationship.

We know that the intermediate administrative apparatus is a creature of the government which legitimizes its authority with respect to the other administrative agencies involved. However, this institutional support is not sufficient to enable the apparatus to be fully effective. It is enough to recall here the autonomy which the administrative agencies involved enjoy, as well as what was said earlier concerning the requirement for voluntary participation by these agencies with a view to attaining the main objectives which justify the organization's existence. Despite whatever institutional support it may have, the apparatus risks seeing its authority - already relative - without real effect if this participation is not expressed by support from the actors for the apparatus, or if they do not agree to interact through it as the intermediary and under its direction.

On the one hand, the apparatus must therefore obtain a measure of support from the agencies involved. On the other hand, the actors must see that the apparatus, in its decisions, respects their projects, their strategies, and even the aims of their activities to the fullest extent possible.

The stakes in negotiations between apparatus and actors thus become clear. For the apparatus, the stake consists of power to direct while assuring itself of at least minimum support from the actors. As for the actors, the stake is to secure acceptance of their projects and strategies, and their position with respect to their administrative partners, while at the same time retaining a degree of manoeuvre with respect to both the apparatus and the other administrative agencies involved.

We have noted that participation in the common undertaking and support for the apparatus could be threatening for the actors, because both require them to limit their relative autonomy and freedom of action. But this is not all that is at stake here. The cooperation that is expected of them also means that their respective positions in relation to the other actors involved, precarious at best, will be called into question, and consequently so will the basis for what power they enjoy within the administration of which they are part,

The analysis of the obstacles to cooperation must, therefore, include analysis of the power relationships among the administrative agencies themselves, and suggest what changes in these relationships follow as a result of a common planning effort under the direction and through the intermediary of a coordinating apparatus.

It would be equally necessary to discuss the operation of the apparatus and its ability to handle the problem of maintaining the balance between its roles as directing agency and as a centre for bringing the administrative agencies into concert. For that is what is meant - the

working in concert among actors within the apparatus - when one speaks of the organization in inter-departmental cooperation. And one would think that, however complementary these two apparatus functions may be, they can nevertheless be contradictory as well.

2. THE ORGANIZATION OF ADMINISTRATIVE DECENTRALIZATION

The model proposed earlier for analysing the organization of inter-departmental cooperation can also be used to analyse the relationships between the various central, regional and sub-regional strata of an administration.

Relationships between the central level of decision and lower levels can be considered as power relations, where the high authorities have not only to direct, but also to obtain the voluntary and effective participation of those at the lower levels. Power can be regarded always as a relative matter. If the upper echelons have greater "formal" power, they have to wield power against the control of lower echelons over some uncertainties which the upper echelons must take into account in their decisions (particularly the control by lower echelons of indispensable regional information).

Nevertheless, the model must be adapted to the new situation in which the actors (here the lower levels of the administration) do not enjoy as much formal autonomy with regard to the apparatus (in this instance the upper echelon) as in the case of inter-departmental relationships, and in which in any event the various actors involved (at the central, regional and sub-regional levels) cannot be considered on an equal footing as is the case in relationships between departments or between administrative units on the same level.

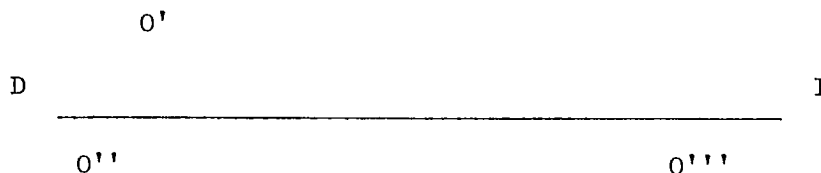
That is not all. The relationships between the actors and the apparatus are of a different type depending on whether it is a matter of the relationships between administrative agencies and an intermediate apparatus for direction or coordination, or between lower and upper echelons within the administration. We need only compare the type of decision that the apparatus has to take in each case.

It is in fact possible to distinguish two ideal types of decider-applicant relationships. The first type is one in which the projects of the applicants can be approved by the apparatus only to the extent that other actors' projects are turned down. This is typical in decisions of a budgetary nature. The second type is one in which the requesting actors' projects

cannot be approved by the apparatus except on condition that the projects of other actors also be approved, owing to their complementary nature.

With this distinction made, it is theoretically possible to classify all the decisions which certain apparatuses have to make, and thus to compare these apparatuses as regards their predominant types of decisions.

By designating the first type of decision as "distributive" (D) and the second as "integrative" (I), one will find that within a given organization (O') all decisions taken at the top are closer to type (D) than to type (I), whereas in other organizations (O'') and (O''') this could be rather the opposite.



There is no doubt that administration-government relationships appear in many respects to be of type (D), if only because of the arbiter role of the government particularly as regards the division of responsibilities among the administrative agencies which make up its administration.

The situation is not quite the same when one has to deal with the relationships which a group of administrative agencies must maintain with an intermediate apparatus of direction and coordination, of the kind discussed earlier. For such an apparatus does not have to change the division of responsibilities made by the government. On the contrary, the role of this apparatus consists mostly of persuading the administrative agencies to cooperate and to integrate their efforts.

In hierarchical relationships within administrations one will find more often a type (D) situation, although this may vary widely from one agency to another and, within the same agency, between its various sub-units.

As will be realized, one of the major obstacles to administrative decentralization is certainly this tendency of the upper echelons to want to deal with the lower echelons, as if all they had to do was hand out responsibilities and then check to see how these were carried out.

However, the obstacles to administrative decentralization do not originate only from "on high". Any change within an administration runs up against the public official's wish for security, which is expressed in his

passion for regulations, his pursuit of egalitarianism and fear of favouritism. It has the effect of encouraging centralization and stratification among the hierarchical and professional levels. This is not to say that public officials in the lower echelons are in favour of centralizing authority, but that they in fact reinforce this centralization because they submit to a reflex which always wants a protective shield between those who have the right to make a decision and those who are affected by it.

CONCLUSION

In this paper the over-riding question has been the change in function and structure required in the State administration as a result of the State's taking over economic and social development planning at the national, regional and sub-regional levels.

One could just as easily have concentrated on another problem - that of the political decentralization of the powers and structure of the State.(1) One might have suggested, as another model for the organization of regional development action planning, setting up regional governments, instead of a more decentralized administration.

There are political groupings of the federal type in which such a model has been tried. This paper is not intended to weigh the respective merits of the various forms of organization for regional development planning which could occur in liberal industrial societies. Furthermore, it seemed to us that in discussing the problem of political decentralization we would be brought back to the question of changes in the function and structure of the State administration. In fact, political decentralization does not mean abolishing the administration of the central State, as will be made apparent in the appendix to this paper, in which are described certain experiments in the organization of regional development planning in a federal system. Even when there is extensive political decentralization, the problem of decentralizing the administration still arises.

(1) It is important to note the distinction made between political decentralization and administrative decentralization. The first concerns political power. It implies the creation of regional or local governments that are more or less autonomous, whose leaders are elected, and hold certain fiscal and spending powers. There are degrees of political decentralization: in a federal system, regional or provincial governments have a much greater autonomy than in a municipal system where local governments are generally under the guardianship of a central government. Administrative decentralization applies of course to the administration, whether it is a central government administration or a regional or provincial government administration. It implies some delegation of powers from the upper to the lower levels within the same administration, rather than the creation of autonomous sub-administrations.

Communication between the Administration and its Environment

This analysis of the functional and structural changes required in the State administration actually deals with only one aspect of the problem of organization for a regional development planning operation. It may even lose its significance unless it is completed by an analysis of the changes required in the means of communication between the State and its environment - its economic and social partners.

It is in fact in the dynamism of relationships of the State (and of its components) with its environment that we must seek the positive and negative sanctions essential to a planning operation by the State which aims to be rational. Do such sanctions really exist? Can one say that the State mechanism really has to reckon with the expectations of its environment, and particularly of the regional and inter-regional environment? What are the environment's possibilities for organization, and what are the channels of communication between the State and this environment? It is on these components that the environment largely depends for a means of exercising control and sanctions over the State.

The desired acting in concert, already defined as the crux of the problem of organization for development planning, requires that we be able clearly to identify not only the responsible administrative centres, but also the partners involved at the national, regional or sub-regional levels and that they can identify themselves. Finally, it requires that new methods of interaction be worked out between the State and its partners.

Inasmuch as the acting in concert must be something other than a game of lobbying - it is generally admitted that lobbying usually exerts pressure on weak points in the State's mechanisms and attempts to work out a strategy much of which is secret - acting in concert requires the creation of institutionalized and obligatory channels of communication between all levels of the State and its economic and social partners.

The State, the administration and the partners will not be able to act in concert unless the latter have very broad access to all relevant information, and unless one provides mechanisms for compulsory meetings, open and regular, not only between those who make up the environment of the State, but equally between them and the State itself.

APPENDIX

"The Administration of the Eastern Quebec Regional Development Plan" - An Experiment with the Organization of Regional Development Planning in the Canadian Federal System.

THE ADMINISTRATION OF THE EASTERN QUEBEC
REGIONAL DEVELOPMENT PLAN

In May 1968, the Governments of Canada and Quebec signed an Agreement whereby they undertook to implement jointly a development plan for the Eastern Quebec Area. Following this agreement, the two governments set up an intermediate apparatus for directing and coordinating the plan (see map).

It would be useful here to describe the structure, functions and operating rules of this apparatus, which is the central element in the organization of inter-governmental and inter-departmental planning activities for the development of the designated area. In order to give a better picture of where this central element stands in relation to the other elements making up the organization of the State's planning activities for the area, it is necessary to define, at least briefly, the major objectives of the plan and to identify the administrative actors involved in implementing it.

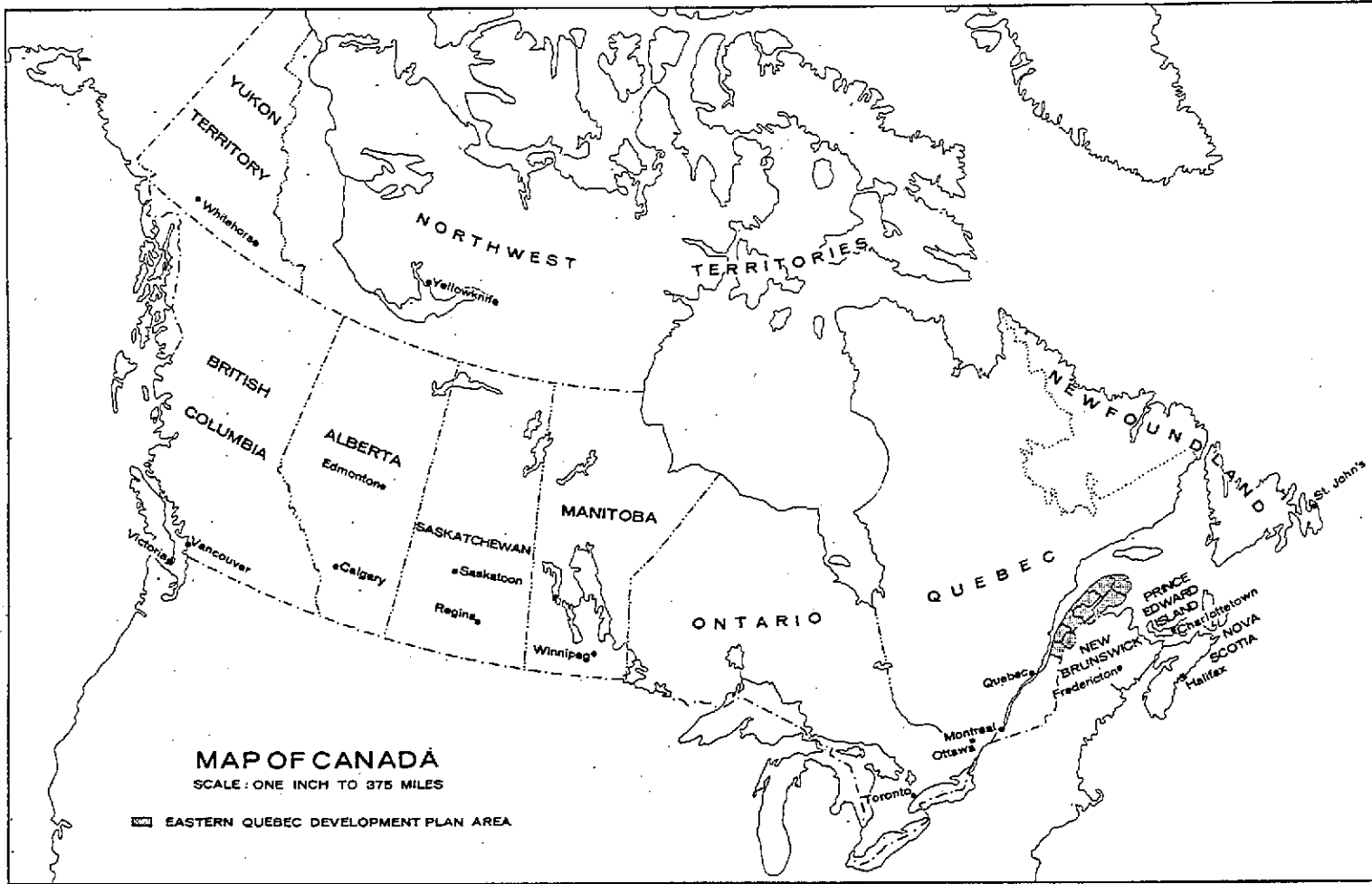
1. Major Objectives of the Plan

According to the text of the Agreement the main aim of the plan is "to promote the economic and social development of the Area, to increase income and employment opportunities and to raise standards of living."⁽¹⁾

To achieve this aim, programs have been designed in relation to the following three major objectives:

- a) Development of Industries and, more particularly, the rationalization and stimulation of activities in the field of resources.

(1) An Agreement Covering the Implementation of a Comprehensive Rural Development Plan for the Lower St. Lawrence, Gaspé and Iles-de-la-Madeleine Area. Ottawa: Department of Forestry and Rural Development, May 1968.



Essentially, it is a question of "modernizing the basic traditional industries (agriculture, fisheries, forestry) to provide the workers in these industries with more stable employment and, as far as possible, with remuneration equal to that in the same industries in other parts of Quebec"; and "creating new dynamic activities for industry, mining and tourism that are capable of absorbing, as much as possible, the manpower displaced by the modernization of traditional activities."

- b) Development of infrastructures and, more precisely, the development and rationalization of the means of transport and the development of urban areas.

It is a question here of "setting up the facilities and infrastructures required to ensure the success of the Plan."

- c) Social Development and, more precisely, assistance for occupational and geographical mobility and housing, and also the participation of regional elements in raising the level of the area.

It is a question here particularly of "launching a manpower redeployment program to provide the necessary occupational and geographical mobility" and "accelerating urbanization by grouping the population in a few adequately equipped urban centres."

2. The Administrative Actors

Let us now see who are the administrative actors responsible for the programs provided for achieving the major objectives of the plan. Figure 1 shows all of the agencies involved at the level of the federal and provincial governments.

These agencies have been regrouped according to major fields of activity of the plan. Note the large number of agencies involved at each level of government, and also that all are not involved in the same way; in particular, those agencies working in the field of stimulating secondary industries are affected only indirectly by the plan; this is also the case with the so-called social departments, at least as far as their normal activities are concerned.

ADMINISTRATION OF THE DEVELOPMENT PLAN FOR EASTERN QUEBEC

Distribution of tasks among the various federal and provincial government agencies according to the plan's major fields of activity

<u>Provincial Agencies</u>	<u>Fields of Activity</u>	<u>Federal Agencies</u>
	-I-	
	INDUSTRIAL DEVELOPMENT	
<u>Natural Resources</u>	rationalization	Energy, Mines and Resources
<u>Lands and Forests</u> *	and stimulation	Fisheries and Forestry
<u>Agriculture</u> *	of activities	* <u>Agriculture</u>
<u>Industry and Commerce: Fisheries</u> *	in the field	* <u>Fisheries and Forestry</u>
<u>Tourism, Fish and Game</u> *	of resources	* <u>I.A.N.D.</u> (conservation)
<u>Industry and Commerce</u>	stimulation	Trade and Commerce
	of activities	Regional Economic Expansion
<u>Industrial Credit Office</u>	in secondary industries	Industrial Development Bank
	-II-	
	DEVELOPMENT OF TRANSPORTATION	
<u>Transport and Communications</u>	planning	* <u>Transport</u> (and CTC)
	setting	
	up	* <u>Public Works</u>
<u>Highways</u> *	infrastructures	
	-III-	
	URBANIZATION	
<u>Municipal Affairs</u> *	planning	(Regional Economic Expansion)
	setting up infrastructures	(Cent. Morg. and Housing Corp.)
	-IV-	
	SOCIAL DEVELOPMENT	
<u>ODEQ (social dev.)</u> *	social development	(Regional Economic Expansion)
<u>Labour and Manpower</u>	assistance for mobility	* <u>Manpower and Immigration</u>
<u>Family and Social Welfare</u>	rehabilitation	Health and Welfare
<u>Health</u>		
<u>Education</u>		
<u>Municipal Affairs: Q.H.C.</u> *	assistance for housing	Cent. Morg. and Housing Corp.

_____ mainly responsible for programs

* agencies directly involved

It will also be noted that the agencies directly involved do not all have equivalent roles. Some are responsible for overall programs, while others are engaged in auxiliary or support programs related to the overall programs.

3. Intermediate Apparatus for Management and Coordination

Under the terms of the Agreement, the intermediate apparatus for management and coordination set up by the government of Canada and Quebec is to ensure "effective and continuous cooperation between Canada, Quebec and their respective agencies in well-integrated elaboration and execution of the programs necessary for the implementation of the Plan."

Let us look at the structure of this apparatus, the functions of its main agencies and how, in principle, it should operate.

- a) Structure of the Apparatus: The apparatus is composed of three sub-units and its structure is as follows:
 - i) Two autonomous sub-apparatuses work in parallel. The Quebec government sub-apparatus level includes the Office de développement de l'Est du Québec (ODEQ) (Eastern Quebec Development Board) and the Conférence administrative régionale (CAR) (Regional Administrative Conference). The Canadian government sub-apparatus level includes the Office of the Plan Administrator (DREE) and the Regional Programming Conference (RPC).
 - ii) A joint sub-apparatus caps the Canadian and Quebec sub-apparatuses. This is composed of the Liaison Committee and the Management Committee of the plan, as well as five joint advisory committees responsible to the Management Committee.
- b) Roles: It is also possible to describe the apparatus by its membership. In fact, it is made up of all the representatives of the federal and Quebec administrative agencies involved.

However, a distinction should be made between two categories of members: the administrator-managers and the departmental coordinators.

The first group includes the representatives of the administrative agencies of each government responsible for the implementation and financing of the plan as a whole.

Quebec has representatives from the Quebec Planning and Development Board and the Office of the Comptroller of the Treasury. They make up what has been called ODEQ, and work under the Director-General of ODEQ.

The federal government has representatives from the department responsible for regional development, and in particular for administration of what used to be called the Fund for Rural Economic Development, i.e., the Department of Regional Economic Expansion and the Treasury Board Secretariat who, in principle, work in concert with the federal Plan Administrator.

These representatives, their assistants and advisers are the administrator-managers of the plan.

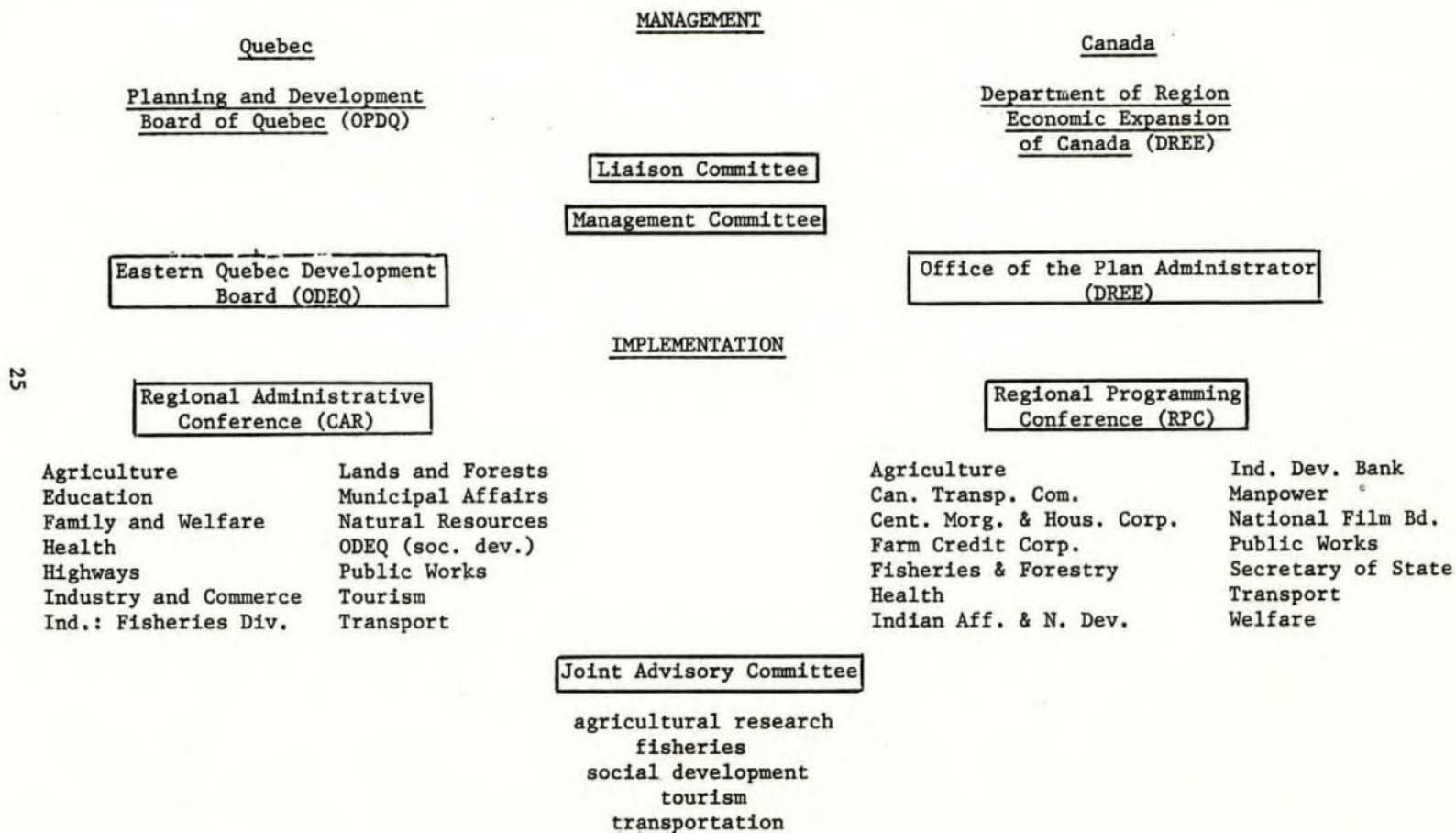
The second group includes representatives from Quebec or federal administrative agencies responsible for specific programs. They are called the departmental coordinators. In the case of Quebec, they are the ones who make up the Regional Administrative Conference. In the case of the federal government, they make up the Regional Programming Conference.

One can see that these functions deal only with Quebec, and Canadian sub-apparatus at the top is made up, in the case of the Management Committee, of the Director-General of ODEQ and the federal Plan Administrator; and in the case of the Liaison Committee, of senior officials with the rank of assistant deputy minister, who act as the main intermediaries responsible for the administration of the plan.

- c) Functions of the Apparatus: On the whole, the apparatus has two major functions:
- i) The first is management of the overall plan. It must decide on the programs and projects to be implemented by the administrative agencies, supervise and control their implementation, assess progress and delays, and decide on amendments to be made in the plan and its programs, if required.
 - ii) The second function complements the first and in a sense is instrumental in it. The apparatus must, in fact, be a means of bringing the administrative agencies into concert so that, through it, the

ADMINISTRATION OF THE DEVELOPMENT PLAN FOR EASTERN QUEBEC

Organization chart showing the main elements of the administrative apparatus,
and the administrative agencies represented (autumn of 1969)



and for seeing that its decisions are carried out, is first and foremost a joint agency responsible for inter-governmental coordination. It is through this Committee and its mediation that exchanges involving Quebec and Canadian administrative agencies are made.

In intra-governmental relations, the key persons are the Director-General of ODEQ and the federal Plan Administrator, who, aided by their respective teams, must direct and coordinate the activities of the Quebec or Canadian administrative agencies, as the case may be. But it is through the conferences of departmental coordinators that they must, in principle, perform this dual role.

It is important to note the differences in the status and authority of the co-directors and in the function of the conferences.

The Director-General of ODEQ has a higher internal "status" than his federal colleague: There is only one intermediary between him and the Minister responsible for Quebec, while there are four levels between the federal Administrator and the Minister responsible for Canada.

Their authority also differs. The Quebec director formally has the power to countersign any departmental request for funds for implementing projects which have a direct impact on the continuation of the plan; his federal colleague does not have similar power in the federal administration.

The conferences differ firstly in that the CAR has a legal status that the RPC does not have. In fact, the CAR was formally set up by an Order in Council; such is not the case with the RPC. Secondly, the conferences differ in that the CAR actually has a role to play in preparation of programs, discussion of budgetary estimates and supervision of the activities of the member administrative agencies, a role which the RPC cannot have in the same way.

- e) Rules of Procedure: The work within the apparatus is divided in principle according to the division of powers between the federal and provincial governments; in other words, it is carried out firstly and almost exclusively at the level of the Quebec and Canadian sub-apparatuses and not jointly according to the plan's fields of action.

The normal procedure is as follows: the responsible agencies prepare their programs and submit them directly through their representatives to the Conference of Coordinators; the latter after discussion, sends them to the Management Committee; the latter consults the other party's Conference of Coordinators to ascertain its opinion before finally submitting them to the Liaison Committee.

This is more or less what actually happens as far as the provincial side is concerned. On the federal side, it is somewhat different in practice. Instead of the discussions at the preliminary conference, the representatives of the administrative agencies are generally called in turn, depending on the programs or projects to be discussed, to meet at the office of the Plan Administrator.