

# Ottawa-Quebec City Comparison

The evolution of the collaborative  
mechanisms of governance of  
innovation and economic development  
– comparison of the two cases

by

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# Two city regions in three lines of evolution

1. From informal to institutionalized governance mechanisms
2. From macro to micro-based governance mechanisms
3. From elite-based to inclusive-based governance mechanisms

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**From informal to  
institutionalized governance  
mechanisms**

# Québec: From informal to institutionalized mechanisms: early institutionalization

- *Phase 1: 1983: Informal Governance led by a small elite group: the first GATIQ and the formulation of a research/tech transfer strategy*
- *Phase 2: Progressive institutionalization of governance and formulation of a science-based cluster strategy: A new and more institutionalized GATIQ emerged in the mid 1990s. OCRI = an example of good a governance mechanism*
- *Phase 3: The existing governance mechanisms are questioned: too many organizations: over-governance?*
- *Phase 4: More inclusive and more institutionalized governance mechanisms: Many organizations were dismantled and others were agglomerated into a new organization called Pôle Québec-Chaudière-Appalaches.*

# From informal to institutionalized mechanisms: recent institutional developments

- *Phase 5: Complementing the existing governance mechanisms with an entrepreneurial mayor who has been successful in business and now manages the city like a business. He has created a buzz around Québec City*
- *Phase 6: Are there too many intermediary organizations supporting innovation?.*
- *Phase 7: recognition of the need for a diversity of intermediary organizations able to meet the diversity of needs and situations of firms*

# Ottawa – early institutionalization

- OCRI – started in 1983
- 1997 – Ottawa-Carleton Learning Foundation
- 2001 – significant expansion of OCRI's role - merged with Ottawa Economic Development Corporation



# Reasons for Institutionalization

- Evolution of High-Tech in Ottawa
  - - impact of US legislation
  - - late 1990's – Telecommunications Act I and II – huge expansion of high tech – multinational companies
  - -pressure on OCRI from high tech companies to get into education activities to train more workers at all levels – K to 12 and colleges and universities

# Merger with OEDC -2001

- Same argument from OCRI members – why sit at 2 tables? More efficient to merge the two and have a more coherent direction
- New leadership at OCRI – Jeffrey Dale came in to bring the 2 organizations together



# Early Institutionalization

- Result of evolution of high tech and huge expansion following US legislative changes
- Pressure from OCRI members to broaden scope (educational activities) and increase efficiency

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**From macro to micro-  
based governance  
mechanisms**

# Québec: mechanisms focused on services to firms

- The first two phases of institutionalization were characterized by the formulation of macro research/tech transfer strategies designed to alter the economic trajectory of innovation and economic development of the Québec city region
- The emergence of more inclusive governance mechanisms led to the formulation of industry specific strategies that matched a vision and a strategy with the production and delivery of tangible services to existing firms in targeted industries

# Mechanisms focused on services to firms

The results of our study on the micro governance mechanisms of the intermediary organizations helping firms to innovate in the Québec city region show that:

- Types of organizations: 33% local; 33% private; 33% research related
- Service offerings: highly diversified; strong presence on identification of knowledge opportunities; good presence in exploitation of knowledge; and weaker presence in knowledge validation
- Market segments: offerings to small firms within the region
- Revenue generation mechanisms: government grants: 62%; sale of services: 21%; pricing of services: all free or free in part: 81%
- Competition between organizations vis-à-vis service offerings: weak
- Governance: boards made up of 50% of members from private firms and extensive collaboration with other organizations
- Business model weaknesses: vulnerability to government support; weak on knowledge validation
- Business model strengths: large variety of services; good balance of types of organizations; governance making room for public and private sectors, thus fostering collaboration between organizations.

# Ottawa: Macro – metagovernance with TOP (The Ottawa Partnership)

- TOP – co-chaired by post-secondary and high tech
- Strategic planning around clusters – support from Government of Ontario
- TOP as metagovernance -umbrella – bringing together OCRI, Tourism, Life Sciences
- Strong support from mayor of new City of Ottawa

# TOP dissolves

- 2001-2002 high tech bust
- High tech sector no longer had time to support TOP
- Differences widen – Chamber of Commerce voices vs taxes
  - OCRI members – taxes not a significant issue
- Unsuccessful branding exercise – « Technically beautiful »



# Post TOP high point of OCRI

- 2006-7 Life Science Council and OCRI
- Trip to Toronto – 40-50 Ottawa group
- 1.5 hours with the full Ontario cabinet

BUT

- Budget cuts at City
- Huge changes in high tech – multinational decline in Ottawa

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**From elite-based to  
inclusive-based  
governance mechanisms**

# Québec: From elite-based to inclusive-based governance mechanisms

- *Phase 1: 1983 the beginning: Informal Governance led by a small elite group: the formulation of a research/tech transfer strategy*
- *Phase 2: from an elite group to a representative board: Progressive institutionalization of governance : A new GATIQ emerged in the mid 1990s with board of directors made up of the most dynamic firms of the region and the formulation of a cluster strategy*

# Amplification of the buzz

- *Phase 3: More inclusive governance mechanisms:*  
Many organizations were dismantled and others were agglomerated into a new organization called Pôle Québec-Chaudière-Appalaches. Formulation of a more comprehensive strategy based on the fostering of science-based clusters and industries such as plastics, metal products and furniture. Matched with the production and delivery of services to firms, not just the promotion of a vision
- Phase 4: buzz amplification: the current mayor has created a buzz and developed an inclusive vision that has attracted economic, social, scientific and cultural leaders who themselves amplify the buzz about Québec City

# Ottawa: Elite to inclusive?

- Depends on definitions

1. OCRI members

- much smaller in last 5 years

  - (Nortel – 17,000 to 1000 in 8 years)

- capital dried up entirely

- new development – very small and very multinational – ‘new kids are downtown’

# Elite to inclusive?

## ● 2. Links to other sectors

- social sector
- immigrant employment
- example of OLIP (Ottawa Local Immigration Partnership) – will there be high tech and/or private sector involvement ?
- just getting started – too early to tell



## CONCLUSION:

What is next regarding the evolution of collaborative mechanisms of governance of innovation and economic development?

- The inclusive trend will contribute to transform the existing governance mechanisms which are currently funded to foster economic development and provide services to firms... in order to make more room for cultural, social and scientific organizations, not just for their leaders???