

# Saint John and Saskatoon



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*Two flat cities ...*

*next to seas of salt water*



*... and grain*



## Socio economic indicators, Saint John, Saskatoon & Canada (2006)

Key indicators	Saint John	Saskatoon	Canada
Population change 2001-6 *	-0.2%	3.5%	5.4%
% foreign born	4.2%	7.7%	19.8%
% BA or higher	14.1%	19.4%	18.1%
PhDs per 1000	n/a	13.1	6.9
% creative occupations	33%	33.9%	33.2%
% S&T occupations	7.1%	5.8%	6.6%
Bohemians per 1000 in the LF	9.4%	11.7	14.2

Sources: Greg Spencer and Tara Vinodrai, Saskatoon City-Region Profile: Summary and Highlights, 4/19/2006; \* Statistics Canada

- No or slower pop growth than Canada
- Less population diversity
- Bound the Canadian average for degrees
- About same creatives, mixed S&T and lower bohemians

## Socio economic indicators, Saint John, Saskatoon & Canada (2006)

Key indicators	Saint John	Saskatoon	Canada
Employment rate *	59.2%	66.9	62.4
Unemployment rate *	8%	5.2%	6.6%
Number clusters	0	3	255
% employment in clusters	0%	15.1%	22.1%
Average FT household income	\$46,190	\$48,871	\$51,221
% change 2000-2005		10.5%	5.5%

Sources: Greg Spencer and Tara Vinodrai, Saskatoon City-Region Profile: Summary and Highlights, 4/19/2006; \* Statistics Canada

- Saint John: lower employment, higher unemployment, fewer clusters, lower income
- Saskatoon: higher employment, lower unemployment, less clustering and lower incomes but higher income growth

# ISRN hypotheses:

## **Economic performance of city-regions depends on**

1. the strength of local knowledge circulation processes *within* and *between local* industries and between local and non-local actors
3. their ability to generate effective new forms of associative governance – including, but not limited to, government – and collaborative leadership

# H1: Saint John

- **ICT: Innovation and knowledge-sharing based on NBTel legacy**
  - Industry association to formalize knowledge sharing (Propel ICT). BUT:
  - Much information sharing still informal. Based on shared 'heritage'
  - Created 'incubator' to share knowledge with young companies (Propelaccelerator)
  - Bridges need to be built with university, NRC researchers. Firms report weak relationships.
  - Need for more private, public R&D



# H1: Saint John

- **Quote from one of Propel ICT: founders:**
- “It’s a bit of a collaborative model. If we do this together, we’ll learn together.’ ... The closer you are the better it works. That’s the way human networks work. Still, venture capitalists have a rule. And it still seems to apply in a era of high speed communications, and it’s that if you’re more than a day’s drive away we’re not going to invest in you... They still believe a close, personal relationship is the best way to manage financial success.”

# H1: Saint John

- **Quote from an owner of an IT firm:** “The biggest problem is professors. They have no business sense whatsoever. They don’t understand that the invention is a tiny part of the process toward commercialization.”
- **Another Owner:** “It’s no one’s fault. There are experts ... who could help us dramatically. To find them in the labyrinth of research across Canada is sometimes difficult. ... it’s worth it, the liaison, it’s important to keep trying. But I can’t think of a researcher who has moved our yardsticks dramatically.”.



# H1: Saint John

- **Energy: Innovation and knowledge-sharing based on national, international links with:**
  - Engineering, IT, and energy firms; research institutes
  - Relationships with select local institutes (Huntsman Marine) and firms (Lorneville Mechanical)
  - Energy sector is not 'innovative'. Emphasis on proven technologies for safety and profitability
  - Exceptions: carbon capture and storage, tidal research, low-sulphur gas



# H1: Saint John

- **Quotes on Innovative Capacity of Energy Sector:**
- “We walk the balance between innovation and what’s going to work. Refineries, to be effective, need to run 98 per cent of the time. And not just to be effective from a cost perspective, but from a community perspective (for safety reasons).”
- “In the construction world it’s hard to be innovative because there’s no repeatability. I’m building an LNG facility this year; next year it may be a power plant.”

# H1: Saskatoon

- Majority of firms in ISRN II-1 reported innovation basis for competitive advantage
- 17-45% of employees sourced non-locally (production lowest; marketing, management, and Sci, Tech. Eng >35%)
- Evidence of global pipelines/local buzz in some sectors ('entrepot')
- Most knowledge transfer face-to-face

# H1: Saskatoon

- Webb (2009) survey showed 6.5/10 that economy facilitates mobility but only 6.6/10 report knowledge gained in other sectors used
- Commercial creatives correlate to knowledge infrastructure—USask, SRC, PBI, POS, AAFC, IP, VIDO—esp. for biotech (ISRN II-1); quality of life infrastructure not positively correlated
- ~75% of firms don't recruit beyond sector
- Only 50% IP management local

# BUT

- **Connections were informal**—often simply picking up phone to call acquaintance at Uni who might be able to lend assistance
- ~70% report no or limited learning from beyond cluster/supply chain
- **Only ‘buzz’ in Innovation Place**; nowhere else (ISR N II-1)
- Importance of global flows—mediated by firms and Uni



# H1: Summary

- Adjustment or innovation?
  - Saint John mired in adjustment; focus on repurposing land/labour/capital
  - Saskatoon has moved beyond adjustment (full employment of land & labour) to value addition
- Knowledge flows:
  - Saint John silos broken down by adjustment
  - Saskatoon knowledge flows mostly within chains/clusters

# H3: Saint John

- Recent history of social entrepreneurship, associative governance
  - High rate of poverty (28%) gave rise to Businesses Community Anti-Poverty Initiative (BCAPI): 1997
  - Motivated by CSR and labour force development
  - Planned energy developments gave rise to Benefits Blueprint.
  - Initiative designed for economic and social development of city with increased tax dollars based on economic growth projections

# H3: Saint John

## Where is BCAPI now:

- Sustainable model. Still going strong despite recession
- Poverty rate now 20%
- Associative governance model tackling poverty reduction

**Vibrant Communities:** Inspired province-wide, multi-sectoral poverty reduction strategy

**Benefits Blueprint:** Initiative on hold with cancellation of major refinery project



# H3: Saint John

- **Quote from an ICT Executive:**
- “We’re as much a part of this community as anyone else is. We are a private sector, for-profit organization that’s totally committed to the economic and social growth of this city. What I like about it is there’s a basis for growth. And I don’t mean economic growth; I mean societal growth. It’s the underdog syndrome. I like a challenge.”

# H3: Saskatoon

- Saskatchewan **hotbed of innovation in associative governance** from beginning:
  - Cooperatives and community leadership
  - Crown corporations (utilities)
  - Nationalization (mining, energy, SMDC)
  - Central control and planning (PRB, BB, CIC)
- But differential impact uncertain (Sk v. Ab?)
- Traditional associative models less effective (capital mobility, lower communitarian spirit, greater market competition, trade liberalization)

# New associative governance: P3s



- **New P3 style models**

- Industrial: PIMA/PAMI
- Sectoral: AgWestBio
- Community: SREDA
- Functional: Tourism Authority and STEP



- New **team efforts** integrating infrastructure (uni, NRC, AAFC) with new models to leverage \$: genomics; CLS
- High interaction (8.6/10) ('everyone playing in same sandbox') but not overly effective (6.8/10)
- Some **Spillovers** to social/community infrastructure (sports, theatre, gallery)

# H3: Summary

- Necessity the mother of invention
  - Communities isolated from higher orders of government—'business' takes stronger lead
  - In Saskatoon 'professional creatives' most likely to lead

# Conclusions and extensions

- **H1: knowledge circulation important**
  - SJ: Energy- international information, knowledge circulation vertical (one major player)
  - SJ: ICT- NB Tel Legacy created horizontal network of companies that connect with each other mostly informally; formal incubator network
  - Saskatoon is not really institutionalized (except perhaps in few clusters)

# Conclusions and extensions

- **H3: successful cities use new associative governance:**
  - Saint John: based on leadership role played by the business community
  - Saskatoon is exemplary but not clear it is necessary, let alone sufficient