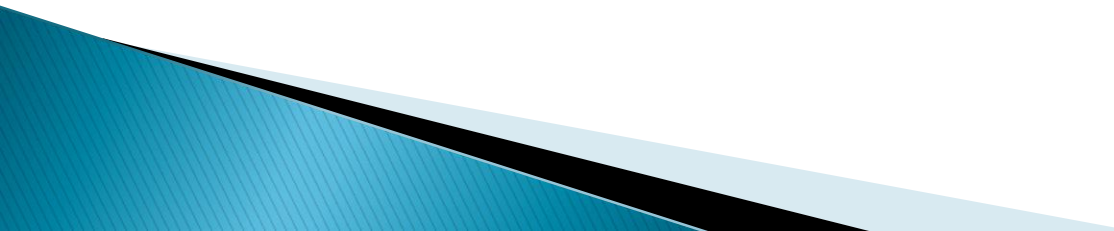# The Social Dynamics of Economic Governance in Canadian City-Regions: Theory and Practice

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Research Context: Theme 3 ISRN-MCRI

- Economic, social, cultural dynamics in Canadian city-regions
- Expressed through urban governance and development strategies
  - Integrated or Siloed Development Strategies?
  - Associational Governance networks or Government-Business-Community separate spheres?
- Hypothesis: Integrated strategies and associational governance conducive to innovation and inclusion, and therefore more resilient city-regions

A wise and enduring voice ...

"I do think economic progress and social progress have to go hand-in-hand. You can't have a winning economy and have a losing society, or the winning economy will lose eventually."

David Pecaut (1955-2010), Chair, Toronto City Summit Alliance

Presentation Themes

1. **The New Localism**: Urban Places Matter
2. **Associational Governance**: Horizontal and Vertical Collaboration
3. **International and Comparative Perspectives**: Theory, Practice, and Policy
4. **ISRN** "Bringing Canadian City-Regions In"
5. **Variation across Space**: Associational Governance in Canadian City-Regions
6. **Moving Forward**: Key Lessons and Big Ideas

The New Localism: Urban Places Matter

"Cities fall victim to what is sometimes called the "urban paradox" – alongside high concentrations of wealth and employment, they also tend to concentrate a high number of unemployed and marginalized people. Cities have to deal with the challenges of economic adjustment, poverty and social cohesion, and in many cases with higher criminality."

Angel Gurria, OECD Secretary-General

"Social issues, such as poverty and crime, are usually viewed as being separate from business issues. The reality, though, is that many of these social issues impact the business community and a region's economic growth. Focusing on such issues presents a significant opportunity from an economic development perspective."

Toronto Board of Trade

Urban Places Matter …

- Evolving body of international-comparative public policy knowledge about how localized territorial contexts shape high level economic and social outcomes (eg. OECD, 2006; Barca, 2009; Wolfe, 2009)

  ◦ *"The geography of prosperity and poverty are not dissimilar. Both are urban phenomena … connected in very direct ways."* (Gertler, 2001)

- City-regions where today's 'wicked problems' (socio-spatial exclusion) and 'transformative opportunities' (knowledge-talent clustering) play out most profoundly …

City-Region Challenge: Wicked Problems and Transformative Opportunities

- In city-regions, social problems and economic opportunities now converge, and exhibit shared characteristics:

  ◦ **Multiple causality** (intersecting/overlapping of drivers)
  ◦ **No single actor solution** (knowledge, authority, capacity)
  ◦ **Localized interactions** (leverage 'cluster synergies' and 'neighbourhood effects')

- Given the scope/scale of problems and opportunities, city-regions need to think and act beyond government *or* business *or* voluntary sector

- Seek joined-up approaches that cross sectors and levels, and engage communities/organizations/citizens

Associational Governance: Horizontal and Vertical Collaboration

1. **Horizontal Dimension**: public-private-voluntary sectors and inter-municipal cooperation

   ◦ *"Potentially, new forms of governance can foster the mobilisation of civil society and promote the formation of networks and partnerships that can provide a basis for economic and social progress."* (Pike et al., 2006)

2. **Vertical Dimension**: multi-level governmental coordination and policy alignment

   ◦ *"Senior levels of government may legislate in any one of a number of areas within their jurisdictional authority, but the implementation of that policy occurs on the ground in a specific geographic locality, where that policy's effectiveness will be determined."* (Wolfe, 2009)

Associational Governance: Horizontal and Vertical Collaboration

- Associational Governance is **not** about:
  - Government off-loading or downloading
  - Government consultation on its own priorities
  - Business or community organization lobbying of government
  - Blue-ribbon panels producing reports
  - A shadow government that competes with municipality
- Associational Governance is **all** about:
  - Multi-sectoral dialogue that builds trust relations and connects to shared priorities
  - Tapping diverse knowledge forms
  - Mapping a division of policy labour in solving problems and meeting challenges
  - Closing the implementation gap between policy and action
  - Developing a common accountability platform for assessing progress and reporting outcomes

International and Comparative Perspectives: Theory, Practice, and Policy

- *"Governments in Canada have **lost their sense of place in policy-making**. We lag competitors in understanding how the geographies arising from current economic and social changes shape our capacity to achieve our ambitious aims for the future."* (External Advisory Committee on Cities and Communities, 2006)

- Meanwhile, robust academic, practitioner, and policy literatures in Europe and the United States exploring associational governance in city-regions.

    1. **Policy Communities**: OECD, European Union, American Foundations
    2. **Local/Regional Practitioners**: Front-line organizers and community consultants (Maytree/Caledon; Collaborative Economics)
    3. **Academic Researchers**: Cooke and Morgan; Harding and Turok; Pastor et al.: Clarke and Gaile

International and Comparative Perspectives: Theory, Practice, and Policy

International and comparative research asks:

Is associational governance that bridges economic development and community building actually happening in city-regions?

And the answer varies across policy, practitioner, and academic communities …

International and Comparative Perspectives: Theory, Practice, and Policy

1. Policy Communities (research institutes, government agencies)

◦ Normative call for integrative approaches, exhorting actors to join-up development and governance …

OECD

- *"Metro-regional economic and social development policies need to be elements of a single coherent strategy."*(OECD, 2006)

EU

- *"Member States should use the tool of integrated urban development and the related governance for its implementation."* (Leipzig Charter on Sustainable European Cities, 2007)

International and Comparative Perspectives: Theory, Practice, and Policy

2. Local/Regional Practitioners (front line/hands-on experience with local governance experiments)

◦ Field reports on collaborative processes …

Collaborative Economics

- *"Communities across America are figuring out that world-class economies need world-class communities. They are experimenting with new types of public-private relationships and organizations to keep moving forward in a time of change. **They are building a new type of community – an economic community.** Economic communities are places with strong, responsive relationships between the economy and community that provide companies and communities with sustained advantage and resiliency."* (Henton et al., 1997)

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- *"There is a strong, if not always recognized, link between social issues and economic development. Actively pursuing **strategies that improve social cohesion and economic inclusion** offer valuable returns to the Toronto region, such as increased global competitiveness."* (Board of Trade, 2009)

International and Comparative Perspectives: Theory, Practice, and Policy

3. Academic Researchers

◦ No consensus on associational governance; general view that it is normatively desirable, debate about depth/breadth of actual practice …

- Buck, Gordon, Harding, and Turok conclude that associational governance is more "new conventional wisdom" than an empirically significant trend: economic and social integration the **"wishful thinking"** of think tanks and the **"warm words"** of governments (Buck et al., 2006:281).

But …

- Pastor, Drieir, Grigsby and Lopez-Garza study the "growth-poverty relationship in 74 American city-regions" and conclude "poverty and inequality will drag down the whole region"; in "city-regions that work", governance processes join **"community building and cluster building."** (Pastor et al., 2000)

ISRN "Bringing Canadian City-Regions In"

International and comparative perspectives:

- Normative support for associational governance
- Exhortative calls for implementation
- Empirical debate about action on the ground

ISRN study well-situated to contribute:

- Bring Canadian city-regions into research/debates
- Expect variation in governance dynamics and development trajectories
- Opportunity for conceptual advance in associational governance

ISRN "Bringing Canadian City-Regions In"

- Canada an intriguing associational governance case study
  - **Europe**: Top-down drivers of associational governance **"Centralized localism" (Stoker, 2004)**

  - **United States**: Bottom-up drivers of associational governance **"Urban regimes" (Stone, 1989)**

- What about Canada? Neither regime nor localism traditions, therefore research proceeds in more open-ended way with several baseline questions:

  1. **Are new associational governance mechanisms emerging to undertake "strategic management of the urban economy"?**

  2. **If so, do these governance mechanisms link up economic, cultural, and social development agendas?**

  3. **Is there any evidence that associative governance mechanisms have influenced the nature of the development strategies pursued by city-regions and the ultimate success of the urban economy?**

ISRN "Bringing Canadian City-Regions In"

▸ Presently putting together a volume that addresses these questions across 11 city-regions from St. John's to Vancouver (Bradford and Bramwell)

▸ Overall findings:
  ◦ **Question 1**: All Canadian city-regions contain examples of associational governance mechanisms (beyond the municipal government)
  ◦ **Question 2**: Notable variation across city-regions in the venue, actors, and content (degree of institutionalization and nature of collaboration)
  ◦ **Question 3**: Observable impact on urban development strategies (shaping policy and planning), less clear on urban economic performance

ISRN "Bringing Canadian City-Regions In"

- Canadian findings allow a more nuanced appreciation of the different types of associational governance and development strategies
  1. **Institutional Collaboration** (multi-sectoral 'big tent')
  2. **Instrumental Partnerships** (project-specific join-ups)
  3. **Independent Networks** (sector-based associations)
- Complexity on the ground in Canadian city-regions suggests both variation across space, and movement over time in governance and strategies (no single static model but a continuum of evolving possibilities)

Associational Governance in Canadian City-regions: Comparative Dynamics

	Institutional Collaboration	Instrumental Partnerships	Independent Networks
Where	Collaborative Structure	"3 Ps"	Economic or Social organizations
What	Integrated Development	Infrastructure Projects	Sector strengthening
Who	Multi-sectoral and evolving leadership	Business-government lead	Economic, social networks "do their own thing"
How	Boundary-spanning dialogue	Interest-based deals	Competing visions
Urban Governance Exemplars	Montreal (CEDC) Toronto (CAGTA) Waterloo (PC)	Vancouver (UDA) Saskatoon (CLSI) Calgary (CHF)	London (LEDC/SGN) Ottawa (OCRI/CDF) St. John's (PRI/OTC)

Associational Governance: Comparative Dynamics

▶ Type 1: Institutional Collaboration

Montreal: dynamic neighbourhood-based Community Economic Development Corporations; provincial "social economy" model; city-region business and cultural organizations; Montreal Metropolitan Community for overall governance coordination

Toronto: vibrant civic governance leadership via Civic Action Greater Toronto Area: nearly decade of collaborative economic, social, environmental, cultural initiatives; but formal government gaps at regional scale and spotty multi-level governance (Canada-Ontario-Toronto Immigration Agreement promising model)

Waterloo Region: strong private sector governance leadership at regional scale; eg. technology-based Communitech, Chamber of Commerce; recently multi-sectoral Prosperity Council adds cultural/social lens; regional coalition facilitates federal-provincial knowledge economy investments (eg. FedDev Ontario headquarters)

Associational Governance: Comparative Dynamics

▸ ## Type 2: Instrumental Partnerships

Vancouver: early 2000s Vancouver Agreement brought together business, community, and government sectors for revitalization work in Downtown Eastside; Olympic/Paralymic "Sustainability Games" collaborative project; in general, city-region divides across civic and business sectors but Metro Vancouver (formerly GVRD) providing government direction.

Saskatoon: provincial cooperative tradition centralized governance for much of 20th century; more recently, city-region level economic and community networks emerging; some major collaborative projects: eg. Canadian Light Source Synchrotron and Cultural Connections Saskatoon but no overarching cross-sectoral governance structure.

Calgary: active, informal business leadership emerging around social inclusion issues: Calgary Homelessness Foundation and skilled immigrant recruitment/integration; limited formal connections or cooperation with social service sectors or municipal government.

Associational Governance: Comparative Dynamics

▸ Type 3: Independent Networks

London: "growth machine" network competes with "social sustainability" network; polarized, politicized local government; some emerging collaborative projects (immigration; transportation hub, and creative city task force)

Ottawa: dynamic economic network coordinated through OCRI, bridging high tech, federal research institutes and post-secondary institutions; The Ottawa Partnership (TOP) engages municipality in economic cluster strategies; dynamic social sector networks in immigration, community health, enabled by municipal Community Development Framework; little evidence of linking economic and social networks, although OLIP an opportunity.

St. John's: dynamic cluster leadership in Ocean Technology with network leadership through Memorial University, Oceans Advance, and several provincial industry associations; strong poverty-reduction network emerging through provincial-municipal joint strategy with leadership from Community Sector Council; fractious city-region governments.

Associational Governance in Canadian City-regions: Explaining Variation

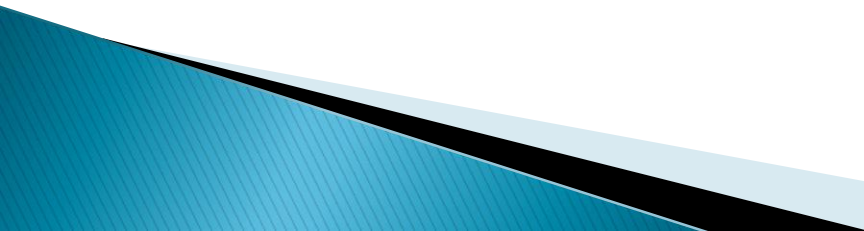Three key scholarly interventions that tackle variation:

1. A. Saxenian *Regional Advantage*
   - **networked institutions for regional adaptation**: missing in Route 128 v. present in Silicon Valley

2. S. Safford *Why the Garden Club Couldn't Save Youngstown*
   - **configuration of social networks is crucial**: overlapping in Youngstown v. intersecting in Allentown

3. M. Keating *Culture, Institutions, and Economic Development*
   - **place-based development coalitions:** variation across city-regions

Associational Governance in Canadian City-regions: Explaining Variation

- City-region development coalition shaped by:
  - **Culture** (competitive or collaborative? Intersecting or overlapping relations?)
  - **Institutions** (jurisdictional turf or solution-oriented? Bonding or bridging mandate?)
  - **Leadership** (traditional sector voices or boundary spanning civic entrepreneurs?)

- Resilient city-regions use associational governance to:
  - Sustain and renew collaboration, adapt and adjust strategies (Saxenian)
  - Distinguish between functional and dysfunctional kinds of local solidarity and community ties (Safford)
  - Build development coalitions with a "rooted cosmopolitanism" (Keating)

Associational Governance in Canadian City-regions: Key Lessons

1. **Institutional hybrids** (no one ideal type)
2. **Size doesn't determine** (relationships more important)
3. **Scalar dynamics are important** (multi-level and inter-municipal)
4. **Leadership really matters** (take risks, empower others, welcome diversity, share credit)
5. **Municipal role crucial yet not well-understood** (convenor, catalyst, and governance partner)
6. **Social learning** (soft path dependency with 'incremental layering' or 'crisis realignment')
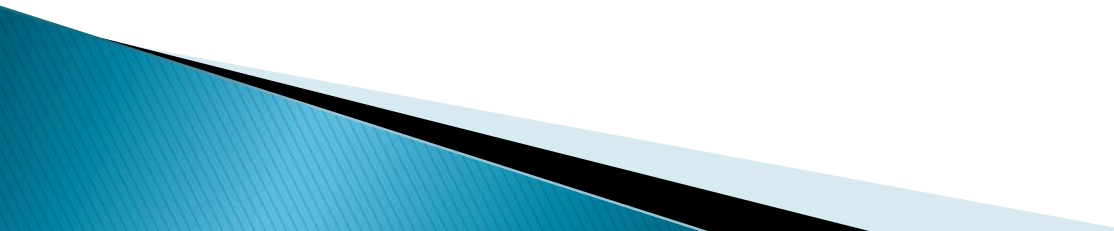
Moving Forward: Three Big Ideas

1. Find Bridging Issues

"Community-building"

Knowledge Infrastructure

Immigrant Settlement

"Cluster-building"

Labour Force Development

Neighbourhood/Brownfield Revitalization

Moving Forward: Three Big Ideas

2. Tackle Governance Challenges

- **Accountability** (public reporting, Community Progress Indicators)

- **Renewal** (leadership diversity and generational change)

- **Momentum** ('beyond the crisis' to 'how the city works')

Moving Forward: Three Big Ideas

3. Organize Developmental Opportunities

- **Civic entrepreneurial learning** (education/mentoring)
  - eg. Rowntree Foundation in UK

- **Knowledge and Practice Exchange** (scaling-up what works)
  - eg. Ontario Local Immigration Partnership Councils

- **Federal/provincial 'challenge grants'** (lever city-region collaboration)
  - eg. Obama Administration ARRA implementation and Canadian RDAs