

# Report on Regional Coordination of Economic Development in the Toronto Region

Research Presentation  
Intergovernmental Committee for Economic and  
Labour Force Development  
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# Overview of presentation

- Background to this assignment
- Findings from literature review
- Insights from interviews
- Analysis

# Background

- Purpose
- Methodology
- Context/observations

# Background

- **Purpose**
  - **Best practices in coordination of economic development**
  - **Recommendations for Toronto region**
- Methodology
- Context/observations

# Background

- Purpose
- **Methodology**
- Context/observations

# Background

- Purpose
- Methodology
- **Context/observations**
  - **Malaise or mojo?**

# Background

- Purpose
- Methodology
- Context/observations
  - Malaise or mojo?
  - **Disconnect**

# Background

- Purpose
- Methodology
- Context/observations
  - Malaise or mojo?
  - Disconnect
  - **Not what but why**



# Literature review

- Shifts
- Functions
- New directions
- Coordination

# Literature review

- **Shifts**

- **From regional development to economic development**
- **From business attraction to business enhancement**
- **From directing to facilitating**
- **From only economic to social/environmental considerations**

- **Functions**

- **New directions**

- **Coordination**

# Literature review

- Shifts
- **Functions**
- New directions
- Coordination

| ACTIVITY  | DESCRIPTION  |
|---|--|
| Business attraction and retention   | Influencing the location decisions of businesses.  |
| Business climate  | Reducing the financial and regulatory cost of doing business; lowering corporate taxes, cutting red tape, reducing the regulatory burden.  |
| Cluster strategies  | Focusing on the development of key sectors, convening the sector and the supporting institutions to address common issues and find win-win solutions.  |
| Enterprise development  | Providing small business advisory and support services, assisting start-ups.   |
| Export support  | Facilitating the promotion of local products to the export market; making linkages in other countries, organizing trade missions.  |
| Financing support   | Facilitating access to capital, for venture capital and commercialization of new products, either through development funds or other vehicles.   |
| Green economy/environmental sustainability  | Developing a green economy cluster strategy (or some sub-sector) and/or applying an environmental sustainability lens across all industries.   |
| Investment attraction and promotion   | Attracting investment from outside the locality. (This also overlaps with business attraction, as investment can be in the form of locating a business.)   |
| Physical infrastructure<br>Spatial planning; Transportation;<br>Transit; Communications; Energy | Developing the physical infrastructure so that it supports business needs, including well situated and serviced employment lands, efficient transportation options, low cost energy, and access to hi-speed communications networks. |
| Servicing businesses  | Providing businesses with the support they require to conduct their operations, in particular assisting them through the approval process for locating new operations or expanding existing ones.                                    |
| Small and medium enterprise support   | Ensuring that smaller firms are not disadvantaged by reason of their size from accessing information and resources that can assist their business.   |
| Social economy and community development  | Providing support to the social economy, through capacity building, grant programs, supportive policies, preferential procurement, convening of stakeholders.  |
| Workforce development   | Ensuring that employers can access qualified workers, by matching the unemployed to job opportunities, conducting labour market analyses to forecast skills needs, and linking training to employer demand.                          |

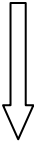
# Literature review

- Shifts
- Functions
- **New directions**
  - **Innovation**
  - **Clusters**
  - **Regional lens**
  - **Process (multi-level governance; bottom-up)**
  - **Workforce development**
  - **Social economy**
- Coordination

# Literature review

- Shifts
- Functions
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- **Coordination**

# Intensity of coordination

|   | Range of Coordination Activities (Light $\implies$ Intense) |                           |                          |
|---|---|---------------------------|--------------------------|
| Format  | Communicating   | Planning/Cooperating      | Implementing             |
| Informal<br><br>Formal | <i>Awareness</i>  | <i>Tacit cooperation</i>  | <i>Common Resources</i>  |
|   | <i>Intermittent Communication</i>                           | <i>Formal Cooperation</i> | <i>Common Activities</i> |
|   | <i>Formal Communication</i>                                 | <i>Joint Projects</i>     | <i>Consortium</i>        |

# Impetus for coordination

|                  |   |  |   |   |  |
|------------------|---|--|---|---|--|
| <b>Model</b>     | Ad-hoc, issue-by-issue relationships; no central coordination | Private sector initiative with government support; sector driven | Civil society lead in coordinating initiatives; broad-based consultations with the public, private and non-profit sectors | Legislated mandate from member states/provinces; permanent secretariat; input from private sector | Multilevel governance; institutionalized policy networks of national, regional and local governments; legislated mandate |
| <b>Example</b>   | Great Lakes – St. Lawrence Region                             | Quebec – New York Corridor Coalition                             | Toronto CivicAction Alliance  | Pacific NorthWest Economic Region   | European Union Macro-Regions   |
| <b>Initiator</b> | Bottom-up   | Predominately bottom-up  | Mixed   | Predominately government-led  | Government-led   |



# Literature review

- Shifts
- Functions
- New directions
- **Coordination**
  - Encouraging coordination through funding criteria
  - Encouraging coordination through new structures
  - Encouraging coordination through “contracts”
  - Supporting outcomes with data

# Interviews

- Current situation
- Assessment

# Interviews

- **Current situation**
  - **Financial disincentive**
  - **Lack of political entity for GTA**
  - **Turf**
  - **Highly politicized**
  - **Can become personalized**
- **Assessment**

# Interviews

- Current situation
- **Assessment**

# Presence of key elements for regional coordination of economic development

|                             |             |
|-----------------------------|-------------|
| ECONOMIC DEVELOPMENT VISION | NO          |
| MULTI-LEVEL GOVERNANCE      | NO          |
| PROCESS                     | NOT REALLY  |
| INNOVATION                  | YES, BUT... |
| CLUSTER STRATEGIES          | IN PART     |
| WORKFORCE DEVELOPMENT       | NO          |

# Analysis

- Some grounds for moving forward
- Four pre-conditions
- Three options

# Analysis

- **Some grounds for moving forward**
  - **Consensus re role for senior governments**
  - **General support for a regional economic development agency**
  - **Some agreement re locus for various functions**
  - **Evolving landscape**
- Four pre-conditions
- Three options

# Analysis

- Some grounds for moving forward
- **Four pre-conditions**
  - **Champions**
  - **Senior level government commitment**
  - **Fleshing out options**
  - **A deliberative process**
- Three options



# Analysis

- Some grounds for moving forward
- Four pre-conditions
- **Three options**

| <b>OPTION 1</b>   | <b>OPTION 2</b>   | <b>OPTION 3</b>   |
|---|---|---|
| <b>Creeping cooperation</b>   | <b>Identify a vacant niche for a regional approach</b>  | <b>Re-mandate/re-align existing entities</b>  |
| Let cooperation and coordination emerge organically, over time and as interests see fit   | Focus on a specific function, currently not performed or not performed well, that could benefit from a regional approach  | Re-jig existing entities, including option of merging or creating a coordinating body or process  |
| <b>Advantages</b>   |   |   |
| <ul style="list-style-type: none"> <li>• Not disruptive, less challenging to existing practices and institutions</li> <li>• Allows for change to emerge as players feel comfortable</li> </ul>  | <ul style="list-style-type: none"> <li>• Avoids the need to consider the entire economic development spectrum</li> <li>• More likely that something doable can emerge within an activity for which there exists considerable consensus</li> <li>• Could serve as step toward a broader regional strategy</li> </ul> | <ul style="list-style-type: none"> <li>• Deals directly with the current reality in the Toronto region</li> <li>• Allows for a range of possibilities</li> <li>• Would necessitate creation of a regional economic development vision and strategy</li> </ul>                                 |
| <b>Disadvantages</b>  |   |   |
| <ul style="list-style-type: none"> <li>• Being incremental, there is no vision that guides the direction of change</li> <li>• If part of the resistance to change is institutional inertia, then may be difficult to expect meaningful change without it being deliberately promoted</li> </ul> | <ul style="list-style-type: none"> <li>• Any initiative would lack a regional economic development vision to provide necessary context</li> <li>• Addressing a smaller part of the larger picture may divert attention from developing the broader strategy</li> </ul>  | <ul style="list-style-type: none"> <li>• Inviting organizations to join a process which may re-align their roles may be an unrealistic proposition</li> <li>• The outcome may be more driven by institutional agendas as opposed to what is best for regional economic development</li> </ul> |