NETWORKS ARE NOT ENOUGH

URBAN GOVERNANCE AND WORKFORCE DEVELOPMENT IN THREE ONTARIO CITIES

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Cities everywhere are struggling to develop strategic responses to vast and rapid economic changes brought about by globalization while mediating the social impact of economic change. Workforce development is a policy area that straddles the divide between economic development and social welfare imperatives. This thesis examines local networks supporting workforce development activities in three Ontario cities in order to better understand the dynamics of urban governance in Canada. The analysis focuses on the two central questions of whether cities have the political autonomy to develop their own strategic workforce development networks, and if so, do these networks reflect efforts to integrate economic development and social welfare considerations. It engages with three theoretical perspectives that offer different explanations for local governance dynamics: neo-institutional theories argue that higher institutional structures shape and constrain local governance efforts; the critique of neo-liberalism argues that local governance dynamics will
be dominated by the interests of capital for economic development; and theories of urban
governance argue that cities have the autonomy to shape their own governance efforts.
Theories of urban governance also focus analytical attention on how the patterns of
interaction between local state and non-state actors shape local governance dynamics. The
study does find evidence of local workforce development networks, and finds that these
networks vary according to the patterns of interaction between local state and non-state
actors. From a neo-institutionalist perspective, however, the study also finds that macro-
institutional policy frameworks shape and constrain these local governance efforts.
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Chapter 1

Cities and Workforce Development

“Far from being impotent and irrelevant, localities are the political arenas for the new work of cities.”

Clarke and Gaile (1998, 5)

Introduction

Governments everywhere are scrambling for ways to navigate the current era of rapid and profound social, economic, and technological change. Complex public problems cross departmental boundaries, levels of government, and the spheres of public and private sector actors, evading solutions attempted in isolation. Bureaucratic, ‘top-down’, approaches to public policy are said to be shifting to more ‘bottom-up’, fluid and horizontal interactions between state institutions and civil society in the form of ‘networks’; government has shifted to governance (Rhodes 1996). In this context, cities have begun to attract a great deal of political and analytical attention as “strategic spaces” where public policy plays out “on the ground” (Bradford, 2005, 1). Cities, and the people who work in them, are seen as increasingly vital to the economic growth and competitiveness of their local and national economies. At the same time, cities are where public problems are most visible, and where they are most effectively addressed. Current trends toward the devolution of social welfare responsibilities, however, means that urban decision makers must balance the often-competing exigencies of economic growth and social welfare, without, as in the Canadian case, the requisite political and fiscal resources, and concerns are mounting over the potentially negative consequences for urban social cohesion (Kearns and Forrest 2000; Kearns and Paddison 2000; Bradford 2005, 2007). This study engages with questions about how cities manage this complexity, and is framed by the two core themes of urban governance and workforce development.
New challenges to managing complexity in cities have shifted the locus of control from the exclusive jurisdiction of regional and national governments, to forms of local or ‘urban governance’, where cities seek to solve problems on their own, in the perceived absence of national governments’ willingness or ability to help them.¹ This development has sparked increased academic interest in different forms of governance arrangements where networks of state and non-state actors at the city-region level attempt to devise strategic policy responses within their own particular macro-institutional and macro-economic contexts. As Neil Bradford puts it, today’s complex problems “require the combined insights and actions of multiple actors learning about what works in particular places”, and tapping into existing knowledge and resources to “see like a community” (Bradford 2005, 4). In its ideal form,

the common goal is confirmation of a guiding vision that expresses the collective aspirations of a community, and linking this orientation to specific development projects managed locally through partnerships. The range of actors in the horizontal collaboration may be as diverse as the locality itself: ordinary citizens, civic associations, business groups, trade unions, education and research centers and governments from all levels…[In order to] develop robust governance relations [that shape] quality outcomes, local collaborations must also scale-up to the extra-local arenas where key decisions are taken about policies and resources. (Bradford 2005, 11).

In cities’ efforts to encourage economic growth and competitiveness, much recent policy attention has focused on ways to encourage and sustain high value-added, knowledge-intensive innovative economic activities driven by highly trained and educated people.² Technological innovation, higher education, and cultural activity overwhelmingly occurs in cities, supported by highly educated and affluent workers who are attracted by deep labour

¹ There is mounting concern that Canadian cities continue to suffer from benign neglect and are showing signs of social strain and infrastructural decay. The uncertain status and capacity of municipal governments as “creatures of the provinces”, federal and provincial off-loading of social programs to municipalities and community-based organizations, and a lack of policy coordination between federal and provincial governments, has meant that “municipalities are on the front lines in responding to national problems, but still on the sidelines when it comes to intergovernmental policy debates and fiscal negotiations” (Bradford 2005, 14).

² For example, the Ontario government recently commissioned the Martin Prosperity Institute to conduct a $2 million one year study of “the changing composition of Ontario’s economy and workforce” (www.martinprosperityinstitute.com).
pools and economic opportunity. Cities compete with each other to attract investment and human resources (Peterson 1981; Markusen 2006; Morin and Hanley 2004). While some are net “winners” with globally competitive knowledge-intensive industries, others face serious adjustment pressures from the erosion of traditional manufacturing industries with intractable problems of poverty and unemployment (Bradford 2005, 2007; Clarkson and Lewis 1999). The economic affluence experienced by some people as a result of recent economic changes, is matched by increasing uncertainty and economic vulnerability experienced by others, and cities are also a primary locus of poverty, homelessness and their attendant social problems. Active labour market policy is a broad policy area that seeks to address the needs of firms for skilled and educated workers, and the needs of individuals for employment through the provision of education and training programs.

**Active Labour Market Policy and Local Workforce Development**

There is little debate about the importance of a skilled and educated workforce to economic competitiveness. Most policymakers agree that education and training are critical to economic growth, and the positive correlation between education and income is one of the most robust in economics. People with higher educational credentials experience higher wages, greater income growth, and less unemployment over their lifetimes, whereas less educated people tend to experience lower wages, lower status jobs, and higher rates of unemployment (Myers and deBroucker 2006). In addition, while immigration is a cornerstone of labour market policy in Canada, recent immigrants, many of whom are highly skilled, experience difficulty integrating into the labour market because Canadian employers and licensing bodies do not recognize their credentials. As a result, in the near future, the Canadian labour market is expected to face skilled labour shortages alongside a large under- or unemployed potential workforce.

Active labour market policy aimed at integrating under- or unemployed people more fully into the labour market has been perniciously resistant to national policy efforts due to the inherent complexity of labour markets coupled with the political tensions inherent in
governing them (Ashton and Green 1996). Projected demographic and socio-economic trends across most industrialized countries, however, have recently pushed this complex and contested policy area further up the political agenda. Canada’s labour market, like other industrialized countries, is facing two powerful challenges. On one hand, the aging of the workforce due to lower fertility rates and the impending retirement of the baby boom generation means that Canada is facing a shortage of skilled labour. Although economy-wide labour shortages are not expected, skill shortages are predicted for specific industries, occupations and locations, and “future skill shortages are expected to take the form of localized and industry-specific ‘hotspots’” (McMullin et al. 2004, 21; Loewen et al. 2005). This projected skills shortage is made all the more urgent by the fact that employers in Canada tend to underinvest in workplace learning (Saunders 2008). On the other hand, increasing numbers of working age people have only weak attachment to the labour market, and are often trapped in “precarious” low-paying jobs, or cycle on and off social assistance.

In this bifurcated labour market, the trend toward increasing social and income polarization indicates that labour markets function less smoothly on their own than economic models would suggest. Much recent research indicates that highly educated or skilled “knowledge” workers benefit from labour markets in which their skills are in high demand, while larger numbers “vulnerable” workers are trapped in low paying, precarious employment that offers little opportunity for advancement. The “good jobs/bad jobs” divide predicted in the 1990s appears to have arrived. According to several recent studies, the answer lies in improving educational opportunities for adults and youths who find themselves outside the labour market due to insufficient literacy and workplace skills and educational credentials (Myers and deBroucker 2006). Other studies emphasize the importance of recognizing the credentials of foreign trained workers in order to better integrate them into the Canadian labour market. But assuming an unproblematic direct link between upgraded skills and economic self-sufficiency for vulnerable workers demonstrates a lack of understanding of the complexities of current labour markets. Clearly, labour markets do not function seamlessly on their own, and the case for government involvement in labour markets is typically uncontested (Gunderson 2002). What is contested, however, is the way in which governments deliver labour market policy. Canada’s reliance on supply-
side active labour market policies that focus on providing education and training for individuals, is seen as increasingly ineffective in the absence of mechanisms that link them with employers. The need to balance supply and demand sides of the labour market – to link individuals with high quality jobs in firms that need their skills – is becoming more evident.

**Defining Local Workforce Development: Integrating Economic Development and Social Welfare Considerations**

While cities are clearly under a great deal of pressure to restructure their economies in order to remain or become globally competitive, there is an emerging argument that economic development strategies that ignore social development and citizenship dimensions are not only shortsighted, but doomed to failure (Bradford 2005, 2007; OECD 2004, 2005, 2006; Kearns and Paddison 2000). Few policy areas straddle the divide between economic development and social welfare as neatly as workforce development (Reich 1991 cited in Clarke and Gaile 1998). Labour market policy “stands at the crucial nexus of efficiency and equity”, because it is “pivotaly located in the political economy of capitalist democracies” between “economic and social policy and the associated imperatives to sustain growth and to alleviate the maladies associated with market societies” (Haddow and Klassen 2006, 277). Active labour market policies are typically seen to be part of the welfare state, but are also seen to serve efficiency objectives alongside, or at times instead of, equity objectives, as it is often argued that active labour market policy should address skill shortages rather than assisting marginal workers (Gunderson 2003). Labour market policy is thus in an “ambiguous position between ‘social’ policy (with its focus on equity) and ‘economic policy (which concentrates on efficiency and growth)” (Haddow and Klassen 2006, 6).

In a departure from traditional workforce development approaches that emphasize predominantly supply-side education and training policies to develop the human capital required for economic growth, emerging research has begun to emphasize that, to be most effective, workforce development strategies, regardless of the level at which they are implemented, need to establish direct links between the supply of potential workers with the
demands of firms that require their skills (Ashton and Green 1996, Crouch et al. 1999; Markusen 2004; Saunders 2008). In response to concerns about worker dislocation as a result of de-industrialization in large American cities like Cleveland, Pittsburgh, and Akron that began in the 1970s, but were felt most harshly in the early to mid-1990s, a small but influential literature began to make the explicit link between local and regional economic development strategies and workforce development for displaced under- or unskilled workers. Rather than a sole emphasis on supports to firms, it was argued that re-development strategies should also include education and training programs for displaced workers. At its most ambitious, this approach to workforce development argues that local and regional economic development requires locally-determined and locally-driven ‘cluster strategies’ that not only identify and support the development of the region’s most promising industries, but also that training programs for displaced and low wage workers should be organized by and around these clusters (Harrison and Glasmeier 1997; Harrison and Weiss 1998; Markusen 2004).

Local workforce development is a construct that seeks to capture cities’ efforts to fashion responses to their own particular labour market needs. While most discussions of workforce development occur at the national and provincial level, workforce development initiatives are “not simply the reflection of national economic trends and policies” (Giloth 2004a, 2). They are embedded in larger regional economies, but have their own formal and informal local institutional structures. Labour markets function at multiple scales of governance, but attempts to develop workforce skills cannot be divorced from local labour markets. Labour markets are “primarily local”, and therefore, “without attention to local politics”, reform efforts are unlikely to succeed (ibid., 2).

This literature argues that effective strategic workforce development initiatives, therefore, tend to be designed and implemented at the local level through ‘bottom-up’ community networks (Giloth 2004a). Community-driven workforce development networks

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3 Research suggests that supply-side publicly funded training programs for disadvantaged workers in the U.S. have not, on their own, greatly improved the earnings or employability of low wage workers, partly because they are funded at very low levels, and partly because they have had limited effectiveness (Heckman, Lalonde and Smith 1999; Lerman, McKernan, and Reigg 1999, cited in Gunderson 2003).
are collaborative arrangements between community-based actors such as education and training institutions, social welfare organizations, and government officials, as well as the local business community, including firms and local business associations, and labour groups, that seek to match the skills development activities of individuals with the human capital requirements of local firms. Most critically, however, these community-driven workforce development initiatives are premised on inclusive views of community economic and social development. Rather than ‘work-first’ approaches that place unemployed workers in low-skilled, contingent, and ‘precarious’ jobs, workforce development networks are intermediaries that provide individuals with access to career pathways designed to lead to high quality, stable, ‘family-sustaining’ jobs in the local economy (Giloth 2004a; Harrison and Weiss 1998; Melendez 2004; Fitzgerald 2004).

Over the past decade, there has been a great deal of academic research and policy interest in the potential of local workforce development initiatives to support virtuous interactions between local economic development and local social welfare considerations (Melendez 2004; OECD 2004, 2005, 2006; Giloth 2004a, 2004b). There has also been a great deal of experimentation with different models of local workforce development across industrialized countries, particularly in the U.S, but also in the U.K. and New Zealand, and in a few other European (e.g. Denmark) and Asian countries. The literature on local workforce development takes a decidedly ‘bottom-up’ approach that emphasizes local political agency over macro-institutional structural constraints. Acknowledging the interplay between macro- and micro-institutional contexts, researchers and practitioners alike argue that local problem-solving is “highly influenced but not completely constrained by federal policies, economic competition, and institutional arrangements” (Giloth 2004b, 17).

In this context, ‘top down’ federal reforms to workforce development systems in the US context reflect a “fragmented hodgepodge” of second chance training systems that have

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4 For example, influential work on career ladders emphasizes the development of educational pathways that improve employability by providing individuals with credentials targeted at specific industry sectors (Fitzgerald 2004). Markusen (2004) argues that community economic development planners can target required occupations as well as local industries.
not solved the problem of co-incident unemployment and labour shortages, and “typically fail to provide a leg up the economic ladder for low-wage, low-skilled, frequently minority workers (Giloth 2004a, 1). ‘One size fits all’ approaches that seek to implement standardized policies and programs across a diverse array of local political economies lack the regional sensitivity and flexibility to meet local workforce development needs. In response, some communities have developed their own workforce development strategies. Clarke and Gaile (1998) observe that although cities have limited powers to affect policy and economic change on their own, a growing number of cities examined the connections between economic and human capital development in the 1990s, a trend which has continued to gain momentum throughout the current decade. Workforce intermediaries and partnership arrangements “have frequently emerged and grown in spite of public workforce systems” and it was precisely “the uneven performance of the public workforce system and institutions…that [gave] impetus to their formation” (Giloth 2004b, 17, 5). Communities that have developed their own employment systems are reported to have a “richer and more complex network of services”, whereas communities where “broad community-based initiatives were not implemented, the impact of federal reforms has led to less inclusive and less efficient arrangements” (Melendez 2004, 2).

The vagueness of calls for some sort of “collaborative governance” at the community level between governmental and non-governmental labour market partners in Canada betrays the fact that there is a great deal of theoretical and practical information about these arrangements in the recent workforce development literature. Though Canada and Ontario have had little experience with these mechanisms, other jurisdictions have learned quite a lot about them. There is a fairly well-developed literature on US experiments, and policymakers have a pretty good idea of “what works and what doesn’t” (Chapple 2005). Experience indicates that the most successful local workforce development initiatives are “comprehensive, networked, and interventionist” (Loewen et al. 2005, 12).5 Workers find

5 A recent study of workforce development in Winnipeg offers a useful framework that outlines three basic approaches to community-based workforce development (Loewen et al. 2005). A ‘traditional approach’, delivers programs targeted at rectifying perceived deficiencies in the skills of individuals in economically disadvantaged groups, such as basic education to improve literacy and math skills, job readiness programs, and employment placement programs. These programs have limited success at matching workers with good jobs
jobs through networks that often, especially for disadvantaged workers, do not exist naturally, but have to be created. Likewise, successful workforce development initiatives are based on partnerships between labour market actors that form “an expanded network that links disadvantaged workers with job opportunities, educational opportunities, and support services” (ibid., 16). Workforce development partnerships are formal local governance mechanisms aimed at the co-ordination of workforce development efforts at the local level, that address both the needs of business for job ready, skilled workers who can help companies grow, and the needs of workers and jobseekers to navigate the pathways to careers and family-supporting earnings and benefits” (Giloth, 2004a, 3). The most successful networks involve “engaging businesses and making programs responsive to them, defining success as job placement retention rather than graduation, and gaining a better understanding of how job seekers and workers are embedded in informal networks” (Giloth 2004b, 7). Partnerships that encompass a wide range of local labour market stakeholders are the most successful;

Community-based organizations are valuable partners for recruiting participants and offering soft skills training and career counseling. Community colleges can be partnered with to provide training services. Connections to local and provincial governments can provide political and monetary support. Partnerships with adult education centers can provide basic education. Partnering with unions can be useful in helping workers navigate unionized sectors. But perhaps the most crucial partnership in a successful network is with employers…Employers make good partners in a workforce development network because they can provide important information: they can identify what skills they want in a worker, help design a training program, provide labour market information, and even provide equipment or instructors for training. The success of an employment development initiative relies on strong partnerships with employers who have already ‘bought’ into the program” (Loewen et al. 2005, 17).

even when community-based partnerships co-ordinate program delivery, “they are focused on delivering needed resources to disadvantaged job seekers, but not developing connections to the employers who will ultimately hire them”. This approach focuses on the supply side of the labour market while ignoring the demand side.
Local workforce development networks are developed and nurtured by ‘workforce intermediaries’ that link up labour market actors such as individuals, training providers, community-based organizations, and firms who would not otherwise normally interact (Nativel 2006, Benner 2003). Arising from “homegrown, local partnerships [comprising employers, community organizations, community colleges, and human service providers] that bring together employers and workers, private and public funding streams, and relevant partners to fashion and implement” career pathways providing ‘good jobs’ for low-skilled workers, workforce intermediaries are “fundamentally brokers, integrators, and learners who entrepreneurially enact workforce development rather than simply…conforming to a publicly mandated set of roles and responsibilities” (Giloth 2004b, 5, 7). Successful partnerships share five key attributes: they incorporate the interests of both firms and workers; they go beyond simple job matching and seek to change the supply side of the labour market by improving career ladders, job quality, and overall competitiveness; they act as integrators of funding streams, public and private sector services and programs and information sources; and generate ideas and innovations about what workers, firms, and communities need in order to prosper; and finally, rather than acting as a single purpose mechanism, they seek to co-ordinate services across a community (Giloth 2004b). Building strong networks, and creating formal partnerships among governments and community-based service delivery organizations, as well as engaging employers at every juncture in the strategic planning process is essential to building successful local workforce development strategies that act as a “supernode” for local skills development by setting “clear and achievable objectives and outcomes for their localities” and by linking up skills development priorities with “broader local economic development strategies” (Nativel 2006, 60-61).

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6 Chambers of Commerce, regional economic development agencies, and private human resource management consultants have well-established links with local firms. Unions, educational institutions, career placement and vocational agencies, social service agencies and voluntary community-based organizations have well-established links with job seekers. Community colleges are somewhere in between, and provide a range of education and training services to a wide range of students, including those in “second chance” vocational training programs. In this context, labour market intermediaries (LMIs) are essential to workforce development because while they each participate in partnerships and networks of various kinds, “they represent different spheres of concern that rarely interact” (Nativel, 63).
Examining Local Workforce Development Dynamics in Canada

The purpose of this study is to begin to map out the relatively new territory of local governance dynamics in Canada by examining workforce development activities in three medium-sized Ontario cities. The central question of whether Ontario cities are implementing their own workforce development strategies provides vitally important insights into understanding how Canadian cities are responding to the impact of powerful forces occurring beyond their geographical limits. Despite lively discursive debates, the mechanics of urban governance, and questions about how cities actually go about trying to solve their own economic and social problems, have undergone relatively little empirical analysis in Canada. As Wolfe and Creutzberg (2003) observe, the local level is under-theorized in the Canadian context, and most analyses of multi-level governance tend to focus on relations between federal and provincial levels and ignore the great deal of experimentation that is occurring between provincial and municipal levels, and within city-regions themselves. At the same time, the assumption that “many of the pressures that cities are facing are increasingly being managed through new forms of governance that entail multiple levels of government and other political actors – partnerships that vary according to the scale of the issue”, has “not yet [been] tested fully” (Lazar and Leuprecht 2007, 1).

What local level studies do exist, tend to focus on formal governmental institutions and ignore interactions between state and non-state actors in governance networks. Comparative studies tend to occur at the provincial level, or to focus on only the largest hub cities such as Vancouver, Toronto, and Montreal. In addition, most studies of urban governance tend to focus on urban economic development strategies, and there are few studies of governance dynamics in other policy sectors (John and Cole 2000). While cross-national and cross-sectoral comparison of urban governance systems is critically important to the understanding of how city-regions deal with the impact of complex public problems within different institutional contexts, Canada is rarely included in these comparative studies. Finally, while there is much theoretical discussion about emerging governance dynamics at the city-region level, there are remarkably few empirical studies on local governance and...
public policy, and those that do exist tend to focus on the EU and the US, and on larger cities. There is very little research in Canada on local networks, smaller and medium-sized cities, and almost none on local workforce development networks.

Comparative studies of local governance dynamics need to be expanded to include the Canadian case, but first we need a better understanding of how public policy dynamics play out within the Canadian case before we can compare it to other jurisdictions. This exploratory study seeks insight into workforce development governance dynamics in three medium-sized Ontario cities. If we find variation, we want to begin to examine why the variation exists, and how it manifests itself. The analytical focus is on the social and political dynamics of governance networks at the local level, because before we can examine the contribution of networks to local governance, we have to isolate what they look like and, indeed, if they even exist. These dynamics are treated as explanatory variables that shape local strategic workforce development efforts.

Most analyses of labour market policy in Canada and Ontario come from a neoinstitutionalist “top-down” perspective that emphasizes the broad institutional structures that shape and often constrain coherent labour market policy at federal and provincial levels. Much of this literature argues that there is no coherent multilevel policy framework in Canada – local or otherwise (Phillips 2006; Bradford 2005, 2007). The critique of neo-liberalism approach takes a ‘top-down’ and ‘bottom-up’ approach and argues that the absence of an integrated national labour market policy framework in Canada and Ontario means that local governance networks will be dominated by the interests of capital for economic development (Rutherford 2001). The urban governance literature takes a decidedly “bottom-up” approach, and emphasizes the notion of local political agency to explain variation in local workforce development activities. Everywhere, cities – whether out of economic necessity or civic pride – are developing endogenous strategic responses to exogenous economic changes, often in the form of community-based workforce development initiatives.

Because local labour markets are critical inputs into economic growth and development, it follows that cities are keen to develop this factor advantage. At the same time, because cities also tend to be the locus of social and income polarization, community-
based poverty reduction initiatives that seek to facilitate economic self-sufficiency through sustainable jobs that pay living wages, are typically implemented at this level. Workforce development is a particularly salient case with which to examine local governance dynamics: what these new interaction patterns between state and non-state actors actually look like, the pattern of collaboration and conflict over social welfare and economic development agendas, and whether they indicate a marked departure from earlier forms of state-society interaction. As an analytical construct, it captures the range of employment-oriented programs and services that are delivered at the local level, aimed at the development of technically skilled, already-employed, underemployed, or unemployed workers, and involve collaboration between various labour market, civic and governmental partners. These networks vary widely in the forms they take and in their levels of effectiveness and sustainability. By examining the case of local workforce development networks, this study seeks to engage with, but go beyond discursive debates and competing assumptions about place-sensitive public policy. Rather than focusing on how networks of state and non-state actors at the local level should or should not interact with each other, this research is interested in how they actually do; the intention is to ‘unpack’ what urban governance actually looks like ‘on the ground’. Local workforce development networks allow us to empirically examine these dynamics because they occur at the intersection of new modes of multilevel governance and urban politics. At the same time, workforce development issues are highly political, and “education and training have to be understood as areas of potential conflict” (Ashton and Green, 1996 p. 3, 37).

The ‘New Localism’ and Its Critics: Questions of Local Autonomy and Social Inclusion

One of the more influential sets of ideas upon which recent policy prescriptions in many Western industrialized countries have been based, can be grouped together under the

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7 For example, the Vibrant Communities initiative of the Tamarack Institute for Community Engagement is a network of 14 communities across Canada that explores “the important role that bottom-up collaborative and comprehensive efforts can play in creating significant reductions in poverty” www.tamarackcommunity.ca.
rubric of the ‘New Localism’ (Bradford 2007). Elements of this approach are evident in several discrete but related literatures that address the dynamics of new governance arrangements in the context of local economic development, public administration, and social service delivery. In its broadest sense, the ‘New Localism’ is a somewhat loose term for a diverse literature that shares a focus on analyzing how the forces of globalization and decentralization interact with the dynamics of economic development at local and regional levels. The literatures on economic ‘clusters’, ‘associative governance’, ‘competitive cities’, and ‘entrepreneurial citizenship’ all share the core assumption that while upper levels of government need to support and guide urban policy, the exigencies of economic and social development are most effectively addressed at the local level. Advocates of a community-based approach to policymaking argue that the complexity of modern policy problems are necessarily addressed at the local level, and require “place-sensitive modes of policy intervention – strategies constructed with knowledge of the particular circumstances in communities, and delivered through collaborations crossing functional boundaries and departmental silos” (Bradford 2005, 4). The theoretical foundation of this argument is evident in governance theories that emphasize non-hierarchical collaboration between different levels of government, and between state and non-state actors, at the local level as the most efficient and effective way to address public problems.

Generally speaking, while the state is somewhat residual and under-theorized in much of this literature, and tends to be treated as one among several actors and institutions that make up the constellation of supports underpinning the process of economic growth and innovation, other work related to the new localism emphasizes the role of the state in providing institutional support to the innovation process, and overseeing associational forms of social and economic organization (Cooke & Morgan 1998; Amin 1996; Cohen and Rogers 1992; Wolfe and Creutzberg 2003; Gertler and Wolfe 2004). Because collaborative

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8 For example, Inspired by ‘learning regions’ that had built successful ‘high tech’ clusters such as Silicon Valley and MIT, as well as ‘industrial districts’ in Germany and Italy, the literature on economic clusters emphasizes that the technological innovation that drives economic growth and competitiveness is underpinned by networks of firms, ‘intermediate associations’, and public institutions at the local level that facilitate the process of social learning and development of social capital. Innovation is seen as an intrinsically geographical – or localized – process and innovative capabilities are developed and sustained at the local level (Cooke & Morgan 1998; Wolfe and Gertler 2004).
forms of governance can enhance the economic competitiveness of cities and regions and “high trust, learning capacity, and networking competence are now widely perceived to be associated with relative economic and social success”, Cooke and Morgan refer to an associational model based on a “social and collaborative mode of economic organization” that represents a “third way between state and market-led development” (1998, 5). This approach retains the emphasis on economic and political dynamics at the local level, and the efficiencies of devolving policy responsibility to the lowest level of competent authority. It emphasizes state action in providing the supply side of economic innovation including public research infrastructure, skilled labour pools, and facilitating the accumulation of social capital as a “valuable economic externality” (ibid., 7).

The ‘New Localism’ and Workforce Development

In cities’ efforts to encourage the innovative activities that underpin economic growth and competitiveness, a deep and wide labour pool of highly educated workers is increasingly identified as one of the more critical factor advantages. The attraction and retention of ‘creative knowledge workers’, or ‘talent’, is seen to have strong potential to attract mobile global investment and to generate economically viable indigenous economic activities. Recent work on the economic benefits of talent attraction and retention emphasizes quality of place, and argues that the best talent is attracted to those cities that offer rich employment opportunities, physical beauty, lifestyle amenities, cultural activities, and social diversity (Florida 2002, 2005, 2007; Gertler et al. 2002). There is, however, growing recognition, even among advocates of talent-based economic development strategies, that not everyone has access to ‘good jobs’ and that many people are “stuck on the wrong side of the new economy’s ‘talent divide’” (Bradford 2007, 3). Urban labour markets increasingly exhibit a service sector divide between high-paying, ‘knowledge-intensive’ jobs in research, finance, or consulting, and low-paid, contingent jobs in retail, cleaning, and data entry (Scott 2007). At the same time, employment in cities remains segmented by race, gender and ethnicity with “the most vulnerable often least connected to the mainstream” (Bradford 2007, 3). As a result, income polarization and poverty is
concentrated in particular neighbourhoods in big cities (Bradford 2005, 2007; Donald and Morrow 2003).

An increasingly important corollary of new localist arguments about urban development and quality of place includes expanding talent-based strategies to include a broader cross-section of society in order to tap into the knowledge resources of the larger local labour force. The basic argument is that improving the inclusiveness of local labour markets increases the potential pool of labour market participants available to contribute to local economic growth. In this view, both regional and national education and labour market policy should focus on the supply side of the labour market and create the macro-institutional conditions to facilitate access to skills training and employment opportunities for disadvantaged groups to overcome employment barriers and contribute to the larger process of economic growth in the city-region. Florida’s most recent work expands notions of the ‘creative class’, and emphasizes the economic contribution of all workers; “If we are truly to prosper, we can no longer tap and reward the creative talents of a minority; everyone’s creative capabilities must be fully engaged” (Florida 2005, 35). In this vein, new localist approaches have begun to emphasize imperatives of social inclusion not evident in earlier iterations that tended to focus almost exclusively on facilitating firm-based growth, and to suggest that cities’ ability to retain creative and innovative people, also depends on community characteristics that promote strong neighbourhoods and social cohesion (Bradford 2004, 2005, 2007).

Recent policy attention to active labour market policy for low-skilled workers can be understood in this context. All levels of government across most industrialized countries are in the process of experimenting with different ways to meet the economic imperatives of firms for access to skilled labour and the social imperatives of individuals for income security, a dynamic that plays out most obviously in cities where economic growth and income polarization are most concentrated. Recent publications of the OECD most clearly reflect the idea of delivering regionally sensitive skills development policy and programs for low skilled workers through partnerships at the local level (OECD 2005; 2006). Citing the large literature on workforce development and lifelong learning that has emerged in recent years, Nativel refers to the importance of upgrading the skills of workers “trapped in low-
skilled, low-paying, often insecure jobs” as “a central labour market policy challenge for the 21st century” (Nativel 2006, 34). Explicitly based on assumptions of human capital theory that emphasize the link between skills acquisition and economic growth, the OECD supports arguments that link investments in skills upgrading for low-skilled workers with an increase in overall economic productivity while also stressing the social welfare element of skills development. Citing the ‘jobless’ recovery of the 1990s associated with declining real wages, difficult and insecure working conditions in contingent jobs, and diminishing social benefits, the OECD argues that

the need for skills upgrading is no longer a short-term issue to be dealt with when unemployment is low and most people able to work are in employment. It is a structural issue of critical importance for the well-being of our nations (Giguere 2006, 26).

Policy prescriptions for skills upgrading acknowledge the complexity and multilevel nature of skills development policy, but emphasize that labour markets are intrinsically local, “because it is there that the strategic importance of upgrading the skills of low-skilled workers has been more obvious and felt more urgently” (ibid., 28). The local level is also where the impact of failed labour market and training policies is felt most directly. Due to the complexity of skills development policy and the lack of policy coordination experienced within most national contexts, local initiatives involving a range of local actors including local governments, trade unions, community-based organizations, labour market intermediaries, and area-partnerships, have begun to emerge. As a result, skills upgrading is not just a policy issue, it is also a governance issue, and an increasingly local one at that as communities seek new solutions to their own labour market problems (Clarke 2004). The LEED Programme of the OECD has focused on these new solutions to ‘the training gap’ that are beginning to emerge at the local level, and as such, provides a concrete manifestation of the new localism.

The link between public policy and local governance emerges quite clearly in the area of local workforce development. Regardless of the variation in individual state strategies, two consistent trends are evident. First, economic development and labour market policies that focus increasingly on supply-side investment in human capital indicate that the distinction between economic and social policies is becoming increasingly blurred, and that
social development and social cohesion are no longer considered to be the sole responsibility of governments. Second, all involve a considerable devolution of labour market responsibilities to regional and local governments (Davies 2005; Rutherford 2001). Policymaking and service delivery through partnerships at the local level is one of the defining elements of local governance (Geddes 2005; Considine 2001). Political decentralization of social and economic policy in the 1990s saw an expansion of locally based policy initiatives that sought to link welfare and employability programs with urban regeneration (Kearns and Paddison 2000). In his comparison of welfare regimes across Western industrialized countries, Geddes finds a strong correlation between the local partnership approach and liberal welfare regimes in the US and the UK, where these partnerships are used as

a cost-effective way of targeting specific areas of working class welfare need, through local regeneration programmes with ‘workfare’ and ‘enterprise’ agendas which were predicated on an assumption that poverty and exclusion will be ameliorated, and local regeneration achieved, by improving economic competitiveness. It was consistent with the emphasis on private provision of public services and competitive mechanisms for the allocation of resources (2005, 365).

The Dark Side of Innovation: The Critique of the ‘New Localism’

There is, however, a dark side, a “double-edged reality to the lived experience of the new localism” (Bradford 2007, 3). Several important theoretical critiques of the new localism share an overarching concern that the emphasis on local economic development and the downloading of local social service delivery is a manifestation of neo-liberalism, because it ignores or under-problematizes the “messy real world of political conflict” and social tension over the direction of community growth trajectories (Markusen 2001, 294). They express concern over the philosophical and policy implications of local economic development driven by unfettered market forces and overseen by informal self-governing networks, each which offer hazards to principles of social equity and democratic accountability (Jessop 1995, 1998; Davies 2005; Geddes 2005). Economic growth and prosperity are concentrated at the city-region level, but so are problems of poverty and social exclusion, both within and between cities as they struggle to meet social welfare needs
of their residents, while competing with each other for mobile financial and human capital (Kearns and Forrest 2001; Bradford 2005, 2007).

Some critics are, therefore, less sanguine about managing the dark side of economic growth, and express concerns about the underlying assumptions of human capital theory upon which talent-based economic strategies are based. Recent major shifts in the public administration of social welfare in industrialized countries have attracted a great deal of critical scholarly attention. For critics of the social welfare dimension of the new localism, the shift from the universal, state-directed provision of social welfare toward employment-oriented policies targeted to individuals – welfare to ‘workfare’ – delivered at the local level is seen as one of the more visible manifestations of neoliberalism (Haughton et al. 2000; Peck 2001; Davies 2005; Considine 2001; Rutherford 1996, 2001). Jessop (1995) refers to the restructuring of the Keynesian welfare state as the Schumpeterian workfare state, where, in efforts to encourage innovation and economic competitiveness, social and labour market policy is subordinated to market exigencies of flexibility and profitability. One of the fundamental underlying critiques of the new localism’s approach to labour markets is that it privileges the power of capital to influence public policy to meet the need for labour.

Rutherford (2001, 1996) provides a critique of the new localism that reflects elements of both the neo-institutionalist and critique of neo-liberalism literatures discussed here, and argues that the ‘learning region’ literature is conceptually inadequate in two key areas. First, from a critique of neo-liberalism perspective, and reflecting arguments outlined in Ashton and Green (1996) and Harrison and Weiss (1998) that will be discussed in more detail in Chapter 2, he argues that the learning region literature tends to underestimate the political conflicts and complexities inherent in the process of “developing policies to overcome systematic skill mismatches, under-investment and free-rider practices which characterize unregulated labour markets” (Harrison and Glasmeier 1997 cited in Rutherford 2001, 1871). Instead, its narrow focus on high-skill formation systems and “elite knowledge networks” tends to assume consensus and “effectively depoliticizes policymaking” (Rutherford 2001, 1872). As a result, it neglects the complexities of social welfare policy and practice, as well as the demand-side of the labour market for jobs and has the net result of institutionalizing poverty and social exclusion (Tooke 2000; Kearns and Paddison 2000;
From a neo-institutionalist perspective, like Bradford (1998) and Haddow (1998, 2000) and Tuohy (1992), all of whom will also be discussed in more detail in Chapter 2, Rutherford (2001) also argues that the new localist ‘learning region’ approach “overemphasizes the regional scale” and “underestimates macroeconomic factors and the continued role of the national state” in shaping labour market governance (p. 1872). As a result, the complexities and difficulties observed in local labour market governance are “directly linked” to the absence of a coherent multi-level labour market policy framework, and therefore to the “conflicts and contradictions of state policy” (ibid., 1872).

The explicit focus on supply-side labour market policies does nothing to address the “uneven geography of employment” both within and between cities (Haughton et al. 2000, 671). Within cities, forms of social exclusion are evident in polarized urban labour markets where the “working poor” are marginalized by urban growth strategies that ignore them, which some see as leading to “a new crisis of social cohesion” in an “increasingly polarized society” (Kearns and Forrest 2001, 995). While the inequities of poverty and reduced life chances are nothing new, the logic of social exclusion parallels the economic cluster argument about the effects of the ‘innovative milieu’ on a firm’s prospects. In this case however, the social environment works in the opposite direction, multiplying the constraints on individuals and families.

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9 In a related argument that is beyond the scope of this study, most critiques of current approaches to labour market policy equate it with neoliberal shifts evident in the area of public administration. In this view, the new emphasis on skills development and upgrading to improve employability is interpreted as one of the major policy instruments of governments seeking to reduce costly dependence on income support services, and encourage flexible labour markets. Income support and welfare benefits have become contingent on individuals actively searching for work, and, if they lack sufficient skills, undertaking education and training in order to become employable; “universality is jettisoned in favour of new forms of program selectivity in which clients are provided with those services most likely to set the ‘free’ of any habitual or continuing use of the state’s assistance” (Considine 2001, 3). In the UK, for example, where the majority of scholarly critique has originated due to New Labour’s experimentation with new forms of active labour market policy, “the employability agenda seems to have been established as a cornerstone of the New Labour approach to social and economic policy” (Haughton et al. 2000, 671). The role of government is to encourage personal responsibility and risk-taking, and to “ensure that appropriate education and training is available” (Davies 2005, 13-14). While presented under the guise of social inclusion, labour market policy initiatives are explicitly premised on flexible labour markets, and instead of regulating the way labour markets operate, the strategy is “concerned with ensuring that the excluded should be rendered ‘employable’ in the context of shifting economic exigencies” (Haughton et al. 2000, 672).
already in difficulty. The diversity celebrated by Richard Florida and other creative city advocates cannot drive innovation if those who are different or poor find themselves cut off from opportunity (Bradford 2007, 3).

The geography of employment is uneven between cities as well (Kearns and Paddison 2000). While welfare-to-work programs and policies may be successful in economically robust regions where jobs, albeit of questionable quality, may be plentiful, they do nothing to address structural problems in economically depressed areas, often in smaller and medium-sized cities, where it is the jobs that have disappeared rather than the motivation to work. As a result, supply side labour market interventions alone are not enough to address uneven regional development, and in fact, “may help jobseekers in prosperous areas and further harm those in less prosperous areas” (Haughton et al. 2000, 671).

The Crux of the Discursive Debate: Questions of Local Autonomy and Social Inclusion

Several subsequent critiques each emphasize different aspects of these governance dilemmas, and can be organized according to two interrelated preoccupations about the role of the state in new forms of governance: the ‘local autonomy question’ and the ‘social inclusion question’. These two questions cut to the quick of debates about power relations between different levels of government, and the role of the state in ensuring norms of social equity and democratic legitimacy. A local autonomy perspective addresses power relations between different levels of government, and underscores the difficulty of striking a balance between regional sensitivity and national policy. On one hand, the demise of the state may indeed be exaggerated, and the efforts of cities to chart their own development trajectories may be just as easily be circumscribed as facilitated by multi-level governance structures. Unilateral decentralization and downloading of policy responsibilities for social service delivery to lower levels of government is one example of considerable state power to shape policy (Clarkson and Lewis 1999). On the other hand, in the absence of a coherent ‘metagovernance’ framework, fragmentation and reduced state control over implementation can result in uneven regional development (Rhodes 1996; Jessop 2002; Liebovitz 2003). Local governance structures can encourage inter-municipal competition rather than collaboration, and “critical perspectives on urban governance have portrayed cities and their
governance institutions as ‘hostile brothers’ due to intensifying interurban competition for economic growth and investment” (Kearns and Paddison 2001; Peck and Tickell 2002).

The social inclusion question is a broad rubric that captures concerns about democratic legitimacy, political accountability, and representation. Associative governance theorists emphasize the state’s role as the only institutional authority capable of taking responsibility for ensuring norms of social cohesion and democratic legitimacy. Because they lack mechanisms to ensure democratic representation, ‘self-organizing’ networks operating outside of state purview can mirror the embedded inequalities of civil society, and “run the risk of becoming a democracy of and for the powerful” (Amin 1996, 310). Advocates of ‘associative governance’ support re-formulation of state-society relations where “a flatter, more diffuse and more permeable state” provides “strategic leadership and the capacity to coordinate” across “plural authority structures” that are governed through “dialogue and consensus”, but above all, to internalize and implement mechanisms to ensure participatory democracy (Amin, 1996, 317).

In this context, several dimensions of the social inclusion debate emerge. First and foremost, the new localism’s almost exclusive focus on economic development imperatives suggests that it privileges the interests of capital over other state and societal interests, and ignores power relations and political conflict. Building institutions, particularly socially inclusive ones, involves power and conflict, and political processes such as mobilization and coalition-building are precisely the hard part that much of the new localism tends to ignore (Liebovitz 2003; Lovering 1999). Local governance arrangements can just as easily be precluded by local political conflict as facilitated by trust, reciprocity and social capital. Local governance mechanisms also raise concerns about the exclusivity of networks, and the danger of the capture of policy agendas by narrow interests, which have important negative implications for norms of democratic accountability and representation.10 As Rutherford

10 This line of critique is especially well-developed in the British case, where local governance mechanisms were an important policy tool of the Blair administration’s ‘Third Way’ approach. As discussed above, partnerships arrangements sought to facilitate collaboration, or ‘join up’, the resources and competencies of public, private, and voluntary sector actors at the local level. Based on the assumption that local partnerships are more inclusive than bureaucratic or market-based approaches to policy-making and service delivery, the implementation of various types of local partnership arrangements to facilitate community participation were a
argues, “consensus and social capital need to be explained and not assumed” (2001, 1888). This line of critique may at first appear less applicable to the Canadian case because Canadian federalism lacks a policy framework that supports policymaking at local levels. Yet it is instead perhaps even more important. In the absence of larger frameworks to ensure mechanisms for democratic citizen representation and participation at the local level, the dangers of capture of informal local networks by narrow interests, such as those of local business elites, is arguably even greater.

In summary, this discursive debate between advocates and critics of the New Localism underscores the conceptual ambiguity surrounding the process of economic and social policymaking at the local level. Regardless of the variation in approaches to describing the benefits or vagaries of the New Localism, there is general agreement that governance in self-organizing networks of state and non-state actors at all levels of government and across and within policy sectors, where “multiple agencies, institutions, and systems which are operationally autonomous from one another yet structurally coupled due to their mutual interdependence”, marks a widespread and durable shift in state-society relations and “a corresponding shift in the center of gravity around which policy cycles move” (Jessop 1998, 29, 32). These debates also provide a useful backdrop that situates new forms of local governance arrangements within current debates about multiscalar dynamics and processes of social inclusion. Local workforce development with its emphasis on both economic efficiency and social welfare considerations, provides a useful case through which to examine how these debates about governance innovation and social inclusion are reconcilable ‘on the ground’ in local communities.
‘Top-Down’ or ‘Bottom-Up’?: Three Theoretical Explanations

Scholars working the field of urban governance stress the importance of comparative research for understanding variation in local governance arrangements (Denters and Mossberger 2006; Pierre 1999, 2005; John and Cole 2000; DiGaetano and Strom 2003; Gissendammer 2003). The lack of comparability in much urban governance research has left the field confronted by “several unexplained puzzles” (Gissendammer 2003, 666). These include questions such as

whether there are consistent patterns in the way national politics and economic conditions influence local policymaking, whether business actors and their interests dominate local networks, how governance structures vary across different policy arenas, whether urban regime concepts are useful for policy areas other than economic development, and whether the leadership of particular individuals is necessary for governance (ibid., p. 666).

This study examines how some of these ‘puzzles’ play out on the ground in Ontario cities. It examines ‘bottom-up’, community-driven approaches to local workforce development in three cities in Ontario, because workforce development is a policy area that provides the opportunity to investigate how these key questions about local governance dynamics unfold in the Canadian context. It asks the central question of whether cities are responding to local social welfare and economic development exigencies by developing their own workforce development strategies, and if so, what form these efforts are taking. In other words, do cities in Ontario have, as urban governance theorists would suggest, the local autonomy to make their own choices about how to manage economic and social development? Do they attempt to integrate the promotion of economic growth with the social well-being of their citizens? This study, therefore, engages with two sets of dependent variables. The first set of dependent variables includes the two variables of local autonomy and social inclusion. The second set of dependent variables is the workforce development networks that do – or do not - operate in each of the three cases.
These questions are informed by three theoretical approaches to explaining the relationship between ‘top-down’ macro-institutional structures and ‘bottom-up’ local political agency that go to the heart of attempts to locate cities’ efforts to chart their own courses for economic and social development. These three theoretical approaches include neo-institutionalism, the critique of neo-liberalism, and theories of urban governance. Neo-institutionalist theories argue that dynamics operating at higher institutional levels shape the system of opportunities and constraints within which local dynamics operate. As Lowndes (2009) observes, “‘top-down’ and ‘bottom-up institutional influences interact in important ways” (p. 96). While ‘higher level’ institutional contexts “structure the range of possibilities” for local governance through mechanisms such as “legislation, policy frameworks, resource regimes, and the regulation of ‘standards’” local governance institutions do reflect their own distinctive norms and conventions (Lowndes 2001, 1965). The causal relationship is, however, primarily ‘top-down’ because “the extent of local distinctiveness in urban politics is related to the degree of autonomy and diversity that higher levels of government will tolerate” (p. 96). From a neo-institutionalist perspective, a supportive macro-institutional framework is necessary for local governance networks to succeed. Cities face complex social and economic challenges and “whether cities realize their new potential still depends largely on the policy agendas adopted by governments at scales higher than the municipality” so “strong national-local relations will be important in effective policymaking” (Bradford 2007, 3).

Several recent neo-institutionalist analyses of urban policymaking in other national contexts emphasize the fact that upper levels of government can and do design policy frameworks that encourage and sustain inclusive and innovative local governance arrangements (Sellers 2002; Savitch and Kantor 2002). As will be discussed in more detail in Chapter 2, however, neo-institutionalist analyses of Canadian and Ontario labour market policy since the 1980s argue that failed attempts to establish collaborative national, provincial and local labour market policy frameworks that occurred throughout the 1990s indicate that path dependent institutional logics largely constrain regionally-sensitive policy experimentation at local levels of government (Haddow 1995, 1998; Tuohy 1992).
Despite their less than sanguine prognosis of the prospects for an integrated, multilevel approach to labour market policy in Canada, however, these analyses do not entirely preclude the possibility of collaborative success at “micro-institutional” levels (Ostrom 1990; Culpepper 2003; Gunderson and Sharpe 1998). There is evidence to suggest that, though they still have a mixed record of success, “associational [mechanisms that] involve flexible and smaller scale designs are better adapted to a Canadian context” (Haddow 2002, 69). In fact, despite the failed experimentation with neo-corporatist arrangements intended to establish an integrated macro-institutional labour market policy framework in Ontario in the 1990s, the continued existence of local training boards suggests that higher level policy frameworks did nonetheless manage to facilitate some degree of local networking activity. Nonetheless, the majority of the neo-institutionalist analyses of federal and provincial labour market policy in Canada emphasize institutional constraints to the development of coherent multilevel policy in this area. From a local workforce development perspective, this approach would predict that in the absence of national and provincial labour market policy frameworks in Canada that formally recognize local institutional arrangements for policy design and delivery, local attempts to develop regionally-sensitive workforce development strategies will be largely precluded by broader institutional dynamics operating at higher institutional levels, and therefore, that there will be little variation in workforce development dynamics across the three city-regions (Haddow 1995, 1998; Tuohy 1992; Klassen 2000; DiGiacomo 2001). From this theoretical perspective, the primary independent variable is the macro-institutional policy frameworks operating at federal or provincial levels of government.

The critique of neoliberalism is another influential theoretical approach that has emerged in the political geography and political economy literatures. To summarize the earlier discussion of the ‘New Localism’ and its critics outlined above, this approach sees the downward devolution of social welfare responsibilities to public-private urban governance mechanisms as one of many outward manifestations of a ‘neoliberal’ shift that ‘hollows out’ national state capacity, resulting in uneven processes of social and economic development across different locales. Local governance mechanisms focused on economic development agendas are seen to perpetuate social polarization because local decisions are made in
undemocratic, exclusionary social networks that privilege the interests of capital for economic development over the interests of other community-based actors (Brenner 2004; Brenner and Theodore 2002; Peck and Tickell 2002; Geddes 2005; Jessop 1998). Similar to the neo-institutionalist approach, the critique of neo-liberalism also argues that policy fragmentation and uneven regional development within and between cities, underscores the need for a unifying ‘metagovernance’ framework to co-ordinate and organize local networks. Institutionally, a metagovernance framework “provides mechanisms for collective learning about the functional linkages and material interdependencies among different sites and spheres of action”, and strategically, it “promotes the development of shared visions which might encourage new institutional arrangements” (Jessop 1998, 42). This approach would predict that in the absence of a national or provincial labour market policy – or ‘metagovernance’ framework - that formally institutionalizes the participation of non-business labour market actors, governance arrangements at the local level will be dominated by the interests of local capital at the expense of local social welfare considerations. From this theoretical perspective, the primary independent variable is the structure of capitalism that privileges local business interests over those of other community-based labour market actors.

Neo-institutionalist approaches emphasize how ‘top-down’, macro-institutional structures constrain or enable locally-driven governance innovation, and the critique of neo-liberalism emphasizes how the absence of a ‘meta-governance’ framework allows business interests to dominate local governance agendas. In contrast, the urban governance literature emphasizes ‘bottom-up’ political agency. While acknowledging the larger macro-economic and macro-institutional contexts within which cities operate, urban governance theorists are interested in the process by which networks and coalitions of community-based actors self-organize to make collective strategic choices about how local economic and social processes should unfold (Stone 2005; Pierre 1999, 2005; John and Cole 2000; Kantor and Savitch 1997; Clarke and Gaile 1998). Urban governance is a model that helps unpack network dynamics at the city-region level, and provides a ‘meeting in the middle’ for top-down’ and ‘bottom-up’ theoretical explanations of urban politics and public policy. It goes beyond the institutions of local government to “search for processes and mechanisms through which
significant and resource-ful actors coordinate their actions and resources in the pursuit of collectively defined objectives” (Pierre 2005, 452). As will be discussed in more detail in Chapter 3, in the context of workforce development networks, an urban governance perspective would predict that, regardless of the larger policy frameworks that do or do not support local policy initiatives, local governance innovations that link jobseekers with good jobs in local firms are possible where stable and durable coalitions of labour market actors exist at the local level. The problem, therefore, is not workforce development itself, but building and sustaining the networks to support it. From this theoretical perspective, the independent or explanatory variable is the organization of, and patterns of interaction between, local state and non-state actors.

**Study Approach**

This study engages with two sets of dependent variables: the first set of variables, local autonomy and social inclusion, will be measured through the second set of variables, the strategic workforce development networks in each of the three cases. The study draws its three independent variables from the three theoretical approaches under examination. Neo-institutionalism emphasizes how ‘top-down’, macro-institutional structures shape and constrain locally-driven governance efforts. The critique of neo-liberalism emphasizes how the ‘top-down’ devolution of national government responsibilities to ‘bottom-up’ local governance networks allows the interests of capital to dominate local economic development agendas. Urban governance theory acknowledges the ‘top-down’ impact of macro-institutional structures, but emphasizes the ‘bottom-up’ political agency of cities and how patterns of interaction between local state and societal interests shape local governance processes.

The study has two main objectives. First, it examines the extent to which these theories can explain patterns of local autonomy and social inclusion in strategic workforce development networks in the three case studies. Second, it provides a detailed examination of strategic workforce development networks in Ontario by characterizing variation in patterns of interaction between state and non-state actors at the local level. The analysis
proceeds in three stages and is guided by three hypotheses. The first and second stages of the analysis relate to the local autonomy question and engage most directly with the two theoretical approaches of neo-institutionalism and urban governance. The first stage of the analysis will determine whether strategic workforce development networks exist in each of the three cases. If these networks do exist, we need to characterize them. The second stage of the analysis characterizes the variation in workforce development networks in the three cases according to the degree of formal institutionalization of these networks. The third stage of the analysis relates to the social inclusion question and engages most directly with the two theoretical approaches of the critique of neo-liberalism and urban governance. It draws variables from each of these literatures to characterize variation in the extent to which workforce development networks integrate the interests of economic development and social welfare actors according to the organization of local societal interests and the patterns of interaction between them.

The Local Autonomy Question

The first research question is taken up with the question of local autonomy or the “degrees of freedom” for governance innovation at the local level. Local governance structures do not operate in isolation, and function instead within the context of several institutional layers, which in Canada have not been auspicious for collaborative outcomes at federal and provincial levels. But can they be successful at local levels? There are those who argue that local governance reform is impossible in certain political economies, like Ontario, and others who argue that it is not only feasible, but desirable and stress the need for “co-operation, joint decision-making and collaboration” in policy development and delivery (Simeon and Cameron, 2002, 283). While macro-economic and macro-institutional barriers to associative governance at federal and provincial levels are well-documented (and are discussed in more detail in Chapter Two), there is growing evidence that communities actively seek to determine their own policy responses and that associational governance arrangements at the local level may have a greater chance of success (Haddow, 2002). Empirically, this study explores the formation of workforce development networks at the local level and examines the extent to which local governance innovation is occurring in Ontario cities. In other words, it asks if cities have the political autonomy to chart their own
courses for social and economic development, or if their efforts precluded by macro-institutional barriers operating at higher levels.

**Hypothesis 1: Predicting Local Autonomy**

*It is hypothesized that there will be evidence of local strategic workforce development networks in each of the three case studies.*

The first objective of this study, and the first stage in the analysis, is to determine whether workforce development networks exist in each of the three cities. The neo-institutional approach emphasizes how macro-institutional policy frameworks shape and often constrain local autonomy. It would predict that in the absence of a federal or provincial policy framework that supports local workforce development, there will be little evidence of strategic local workforce development activity in each of the three cities. In contrast, theories of urban governance emphasize local political agency, and how coalitions of local actors collaborate to address issues of concern to their particular cities. This approach would predict that regardless of the presence of a supportive macro-institutional policy framework, cities will be actively involved in local workforce development. These competing theoretical approaches need to be tested. If little evidence of workforce development networks is found, this will suggest that neo-institutionalist approaches are the best explanation for the lack of locally-driven workforce development activities. If, however, evidence of strategic local workforce development networks is found, this will suggest that local factors are stronger predictors of local workforce development activity, and therefore, that urban governance theories deserve closer attention in the Ontario context. It is hypothesized here that, as predicted by urban governance theories, there will be evidence of strategic workforce development networks in each of the three cases.

**Hypothesis 2: Characterizing Local Autonomy**

*It is hypothesized that there will be variation in strategic workforce development networks.*

The existence of workforce development networks alone, however, is not a sufficient indicator of local autonomy, and by itself, does not take us very far. The second stage of the analysis determines if there is variation in these networks, and if so, seeks to characterize this variation in order to better understand dynamics of local autonomy and
precisely how workforce development networks are shaped by local factors. Because it focuses on “the cast of actors involved in shaping the urban political agenda” and the governance arrangements that result, the urban governance literature provides several indicators that allow us to characterize variation in the institutionalization of workforce development networks, variation in each of the three cases will be measured according to the following elements (Pierre 2005, 452):

- Feasible Agenda: formally articulated strategic workforce development strategy
- Governance Mechanism: forum for regular meetings and an institutional locus
- The Role of Local Government: public political and financial support for workforce development strategy
- Network Membership: participation of constituent networks
- Network Structure: formal or informal, open or closed
- Intergovernmental Relations: participation of other levels of government

The Social Inclusion Question

The second research question addresses issues of social inclusion and the extent to which cities integrate economic development and social welfare objectives. Public policy and local governance are not exclusively about economic development, but also about deepening democratic accountability by linking citizens to the state through social participation (Kearns and Paddison 2000; Haddow 2002). A key debate exists between those who see alternative governance arrangements at the local level as an opportunity to link state and society and deepen both democratic representation and economic efficiency by including non-state actors in fluid, non-hierarchical networks, and those who are concerned that these mechanisms privilege neoliberal concerns of economic development, and governmental concerns to offload expensive and contentious policy areas to lower levels of government and the voluntary sector, and bypass or compromise other public policy
considerations of universal social welfare and democratic representation (Bradford 2003; Rutherford 2001; Skogstad 2003). This research asks if local workforce development initiatives reflect efforts to integrate economic development and social welfare considerations, or if the workforce development agenda is dominated by the interests of capital actors at the expense of other community-based interests.

Hypothesis 3: Predicting Social Inclusion

*It is hypothesized that there will be variation in the social inclusiveness of workforce development networks.*

The third stage of the analysis examines variation in the extent to which local workforce development activities seek to integrate economic development and social welfare considerations. Variation in workforce development networks also has the potential to tell us something about the organization of, and patterns of interaction between, local economic development and social welfare interests. The critique of neo-liberalism literature argues that in the absence of ‘meta-governance’ or macro-institutional frameworks which organize and formally institutionalize the inclusion of societal interests at the local level, self-organizing urban governance networks will be patchy and inconsistent across different locales, and will reflect the dominance of the interests of capital over local social welfare concerns. This approach would predict that local workforce development activities will be dominated by the interests of business for economic development.

The urban governance literature also acknowledges the self-organizing nature of local governance networks, but emphasizes the notion of political agency and the norms and values by which different communities choose to be governed. This approach argues that coalitions of local actors and the patterns of interaction between them shape political choices about local governance, and that while many communities choose to emphasize economic development considerations, others make decidedly different political choices about local priorities. An urban governance approach would predict that there will be variation in communities’ efforts to balance economic development and social welfare considerations, and that variation in these local workforce development networks will be shaped by different coalitions of local actors and the patterns of interaction between them.
Again, these competing theoretical approaches need to be tested. If we find that local workforce development networks are dominated by coalitions of business actors, this will suggest that the critique of neo-liberalism literature is the strongest predictor of local workforce development dynamics. If, however, we find variation in the patterns of interaction between coalitions of local actors, and that some networks seek to balance economic development and social welfare considerations more than others, this will suggest that theories of urban governance provide more powerful explanations of local workforce development activities. Variation in local workforce development networks will be examined according the organization of local actors, and the patterns of interaction between them. This variation shapes different political choices about the relative emphasis on economic development and social welfare considerations in local workforce development activities. Furthermore, it is hypothesized that the relative balance of social welfare and economic development considerations in local workforce development agendas will vary according to the degree of overlap between community-based organizations.

Variation in the organization of societal interests involved in workforce development and the patterns of interaction between them, in each of the three cases will be measured according to several factors drawn from both the urban governance and critique of neo-liberalism literatures:

- Organization of societal interests: the organization of economic development and social welfare interests in constituent groups
- Civic Capital: workforce development champions and boundary spanners
- Active Intermediaries: organizations that link job seekers with employers
- Dominant Discourse: relative emphasis on economic development or social welfare goals of workforce development
- Network Linkages: cross-membership and the patterns of interaction between constituent groups
- Network Configuration: overall patterns of interaction between constituent groups
Network Capacity

Finally, we will draw some conclusions about the capacity of locally-driven workforce development networks to affect change. The degree of local autonomy and social inclusion in each community will also be examined using Clark and Gaile's (1998) ‘institutional framework typology’ to capture the patterns of interaction between local governmental and societal forces in the area of workforce development within each city. Clarke and Gaile (1998) refer to local governance arrangements as “context-structuring processes” and “decision arenas” that reduce uncertainty and minimize transaction costs so that “relatively stable bargaining and negotiation” among different actors with different agendas can take place (p. 108). They develop a framework typology along two core dimensions: whether market or democratic “institutional logics” dominate decision arenas; and whether the elements of the framework are tightly or loosely coupled, each of which “focus on the roles and values associated with decision making in the private and public sectors” (p. 111). This study will slightly modify the “institutional logics” element of the framework, instead of market or democratic logics, it will refer to ‘economic development’ and ‘social welfare’ ‘logics’. This framework will be discussed in more detail in Chapter 3.

Methodology

This research examines the dependent variables of local autonomy and social inclusion through a detailed examination of workforce development networks in the three medium-sized Ontario cities of Hamilton, Ottawa, and Kitchener-Waterloo. It also seeks insights into the institutional structures and governance dynamics in these strategic workforce development networks. This study employs a focused comparative case study approach using a most similar systems design. A comparative analysis can be designed and cases can be selected in many different ways depending on the phenomena and causal relationships under study, but research designs typically compare cases that are either as similar as possible or as different as possible (Peters 1998; Przeworski and Teune 1970 cited in Pierre 2005). This study uses a most similar systems design which selects cases that are “as similar as possible in all independent aspects but in which there is variation in the
independent variable” (Pierre 2005, 455). This design allows control for a large number of contextual factors, which improves the validity of conclusions about the effect of key explanatory factors on the dependent variable. By comparing similar systems with few but significant differences, “one is in a good position to uncover a causal relationship between two variables” because “the differences in the dependent variable are caused by different values on one of the independent variables” (ibid. 455). Small-N problems of focused comparative case studies that detract from the generalizability of results can be mitigated by increasing the number of different indicators for the dependent variable, which increases the number of observations that can be made within each case (King, Keohane and Verba 1994 cited in Denters and Mossberger; Snyder 2001).

An important objective of comparative research is not only to isolate causal relationships but also “to present the cases as a set of interrelated economic, political, and social processes embedded in an institutional system” (Pierre 2005, 456; Clark and Gaile 1998). This study also takes a multi-level analysis approach and tests the explanatory power of two levels of analysis. Explanatory factors such as national institutions, economic structures, and policy sectors, operate at the “supralocal” level, and “set the stage for local politics and governance and affect the orientations and behaviours of local political actors” (Denters and Mossberger 2006, 555). At the local level, different urban systems, patterns of local politics, configurations of actors, and socioeconomic structures shape the governance behaviour of local state and non-state actors. A critical objective of this study is to examine the interplay of ‘top-down’ non-local institutional forces and ‘bottom-up’ local political dynamics.

Case Selection and Control Variables

This research focuses on the dynamics of local workforce development networks with the intention of generating theoretical insights into the nature and structure of local governance dynamics in Canada. The three independent variables in this study are macro-institutional policy frameworks, the structure of capital, and the organization of local state-society relations. Consistent with the most similar systems design approach, the comparative analysis is designed to control for macro-institutional frameworks, and policy
sector, in order to focus the analysis on variation in the patterns of interaction between policies, economic structures, individuals, and coalitions at the city-region level. Comparing three cases in the same province allows for the control of macro-institutional variables such as federal and provincial labour market policy frameworks, industrial relations systems, and partisanship, among others. In this way, we can suggest that observed variations in workforce development networks can be attributed to local factors, in which case, we can begin to examine why the variation exists, and how it manifests itself.

Because we seek insight into the structure of local workforce development dynamics and the patterns of interaction between local state and non-state actors and organizations in the urban policymaking process, there are two sets of dependent variables in the study. The first set of dependent variables includes local autonomy and social inclusion. The second set of variables is the workforce development networks that exist at the city-region level in each of the three cities. This study assumes that the pattern of linkages between individuals and organizations reflects rather than determines “power relationships, institutions, cultures, technologies and traditions” (John and Cole 2000, 253; Pierre 1999; Clarke and Gaile 1998). Workforce development networks were chosen for analysis because they allow for the examination of key puzzles in local governance about the dominance of business interests, variation in network structure across different policy areas, and the role of local leadership, outlined above. Most studies of urban governance focus on economic policymaking so there is relatively little research on urban governance dynamics in other policy areas (Clark and Gaile 1998). Workforce development is a particularly useful case to for the study of self-organizing local governance networks, because it involves the

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11 There is some debate about whether governance networks function as dependent or independent variables, and some researchers tend to “conceive networks as an independent variable when it is really something to be explained” (John and Cole 2000, 253). On one hand, John and Cole (2000) argue that institutions, policy sectors, and urban spaces shape the structure of local networks. Even though networks are essential to governance because they “link together fragmented political institutions and provide coordination in otherwise complex decision-making environment”, it is policy that shapes networks, and determines whether or not network structures will be created and maintained. On the other hand, Gissendammer (2003) treats networks as independent variables, and argues for more analytical emphasis on network structures because “relatively simple differences in network and coalition structures make a big difference for a range of dependent variables” such as policy choice, effectiveness, etc.
establishment of collaborative mechanisms and coalitions between state and non-state actors from different policy sectors who may not have a history of collaboration.

A most similar systems design identifies and selects cases that are as similar as possible in all independent aspects, which suggests that there is a causal relationship between the two variables and that variation in the dependent variables are attributable to variation in the independent variable. The three cities under examination in this study operate within the same federal and provincial macro-institutional labour market policy context, are roughly the same size (though Ottawa is substantially larger, without the inclusion of Gatineau it is a medium-sized city). Each have the same constellation of local government agencies, educational institutions, and employment and social service providers, though Hamilton and Kitchener-Waterloo have a local training board but Ottawa does not. They differ in relation to levels of education and primary local economic activities, as well as the organization of societal interests (a point which will be taken up in much more detail in subsequent chapters). In terms of local government structures, the City of Hamilton and the City of Ottawa are both single tier municipalities governed by their own mayor and council systems, but Kitchener-Waterloo is a regional municipality and has a somewhat fragmented local government structure that consists of the Regional Municipality of Waterloo, the City of Kitchener, the City of Waterloo, and the City of Cambridge. The municipal boundaries for each city-region are as follows: Hamilton refers to the amalgamated City of Hamilton; Waterloo Region refers to the second-tier regional municipality of Waterloo which includes the three municipalities of Cambridge, Kitchener and Waterloo, as well as North Dumfries, Wellesley, Wilmot, and Woolwich townships; Ottawa refers to the amalgamated City of Ottawa which does not include Gatineau.

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12 The population of each of the cities in the study is as follows: the City of Hamilton is 504,559; the Regional Municipality of Waterloo is 478,121; and the City of Ottawa, excluding Gatineau is 812,129. More detailed demographic indicators will be provided for each city in each case study chapter.

13 As will be discussed in more detail in Chapter 5, the Regional Municipality of Waterloo consists of seven municipalities, and of 16 members on the Regional Council, two are elected from the City of Waterloo, four are from the City of Kitchener, and two are from the City of Cambridge, and the mayors of each of the seven municipalities also sit on council.

14 Each city-region in this study could be defined either by Census Metropolitan area (CMA) or by municipal structures, which conform more closely to census sub-divisions. This comparative analysis uses census sub-
Hamilton is an industrial economy known for its steel and other mature manufacturing industries, but which has been experiencing a prolonged period of de-industrialization and plant closures over the past decade or so, resulting in the loss of high-paying manufacturing jobs. Hamilton struggles with a relatively high poverty rate and almost 20% of its population lives in poverty. One of the earliest sites for labour organization in Canada, it has traditionally had a strong union presence at the local level, but lacks a private not-for-profit economic development corporation.

Kitchener-Waterloo has a mixed economy, split almost equally between its manufacturing and knowledge-intensive high tech industries. While its manufacturing industries have faced similar challenges of de-industrialization and the loss of high quality manufacturing jobs, its high tech, knowledge-intensive industries such as information and communications technology (ICT) and advanced manufacturing have experienced sustained growth. Demographically, it has a somewhat bifurcated labour market with concentrations in low-skilled manufacturing jobs and highly skilled high tech jobs, but the poverty rate is close to the national average. Unions are present, but are less visible than in Hamilton, and it does have several highly-institutionalized economic development associations.

Ottawa is dominated by the federal government and knowledge-intensive high tech activities, with very few manufacturing industries, and has one of the highest levels of education per capita in the country. Public sector union activity is far more prevalent than
that of private sector unions, and it also has a highly institutionalized and powerful economic development corporation, the Ottawa Centre for Research and Innovation (OCRI).

**Methodological Limitations**

There are three primary limitations to the methodology selected for this study. First, there are some important trade-offs involved with the use of a most similar systems design. This study compared a single policy area, workforce development, in three medium-sized cities in the same large geographical region, Southern Ontario, and in the same national context, Canada in order to control for macro-institutional variables. This design allows us to focus on how local factors affect urban governance outcomes. It does not necessarily allow us to transport the concepts to other institutional settings, or to generalize across other policy areas. The findings of this study may not be replicable in other provincial or national institutional contexts. It is argued here, however, that because there are so few studies of local governance dynamics in the Canadian context, the use of a similar systems design is a worthwhile trade-off because it allows us to uncover the dynamics particular to different institutional settings within Canada before we can begin to compare these dynamics with dynamics elsewhere.

A second methodological limitation is that this study focuses on institutional governance structures rather than governance outcomes, so it is limited in its ability to make more than cursory observations and predictions about the capacity of different networks to affect meaningful change. In a similar vein, a third limitation is that the research was conducted at a single point in time, so the findings are somewhat static and do not allow us to track changes in the dependent variable of local autonomy and social inclusion over time.

**Data Collection**

This research draws from several different sources of data including a review of the academic literature, government documents, non-academic documents, web searches, and interviews. A total of 69 interviews were conducted from late 2005 to early 2007 with local workforce development actors and in late 2007 and early 2008 with federal and provincial government representatives. Throughout the interview process, additional key actors, local
institutions, and linkages involved in workforce development activities in each region were identified. Two measures were used to facilitate the comparative analysis. First, each interview was conducted using the same semi-structured interview guide. Second, representatives from the programs and institutions common to each city-region were interviewed. These included government officials from Human Resources and Social Development Canada (HRSDC), the Ontario Ministry of Training, Colleges and Universities, (MTCU), Training Boards, community colleges, employment service providers, Ontario Works (social assistance), and community-based organizations including Chambers of Commerce, municipal Economic Development officials, and not-for-profit community economic development organizations (see Appendix B for a more detailed description of the primary government services common to each city-region). Interviewees were also identified through an initial web search to determine some of the key workforce development actors in each region. Finally, a snowball sampling technique, often used in network analysis, was employed, and all interviewees were asked to identify other potential interviewees in order to expand the analysis to include all relevant actors in the self-identified network. To meet the criteria to be included in the interview sample, each individual had to be mentioned by at least one other interviewee.

**Structure of the Thesis**

Using the case of local workforce development networks, this thesis examines how cities’ attempts to address their own public problems are shaped by the patterns of interaction between state and non-state actors at the local level. It takes a ‘top-down’ and ‘bottom-up’ approach and examines these urban governance dynamics within their larger national macro-institutional context. To do this, it engages with three different theoretical approaches, each of which offer different predictions and explanations for how these processes are likely to unfold. Chapter Two outlines the ‘top-down’ perspective toward local workforce development. It engages with comparative and Canadian neo-institutionalist analyses of the labour market policy literature, which argues that processes and policy contexts operating at higher institutional levels shape and often constrain the range of governance dynamics that can occur at the local level. The chapter traces the failure to
establish coherent national and provincial labour market policy frameworks in Canada and Ontario over the past 25 years or so, followed by a brief discussion of the current policy framework since the signing of the Labour Market Development Agreement in 2005, and introduces the rationale for examining workforce development in an urban context.

Exploring competing views about how the processes of social and economic development are unfolding in modern urban contexts is an important precursor to empirical analyses of these dynamics. Chapter Three takes up the ‘bottom-up’ perspective or political agency argument and provides a detailed discussion of urban governance theories, which emphasize the process by which cities make decisions about how social and economic dynamics should unfold while operating within the context of larger institutional constraints. The chapter concludes with an analytical framework for the examination of workforce development activities in each of the three cities.

Chapters Four, Five, and Six provide detailed case studies of workforce development activities in each of the three cities and draw some preliminary conclusions about how the questions of local autonomy and social inclusion play out in each place. The key finding that emerges from these chapters is that, despite the fact that they operate within the same institutional context, the structure of local workforce development networks varies considerably between the three cases. Chapter Seven provides a comparative analysis of the findings from each case study. In Chapter Eight, the thesis re-visits the three theoretical approaches that guided the research and concludes with a discussion of how the variation in local workforce development networks is attributable to differences in patterns of interaction between organized societal interests, but remains powerfully shaped by macro-institutional factors.
Chapter 2

The ‘Top Down’ Macro-Institutional Context for Local Workforce Development: Labour Market Policy in Canada and Ontario

“Conventional treatments of work and labour markets place them on a flat, homogeneous terrain…marked only by intersections between neat curves of supply and demand. We have looked closely at the terrain and found it pitted, riven, and undulating, full of inequality, segmentation, segregation, conflict and coercion”.


Introduction

The new and continually evolving forms of ‘multilevel governance’ that have begun to emerge between national, sub-national, and local levels of government in many federal systems shape policy outcomes at the local level. Several theoretical approaches shed light on how these dynamics interact with social and economic forces to shape the efforts of local communities to fashion regionally sensitive responses to their own particular social welfare and economic development issues. Examining evolving relationships between different levels of government and between state and non-state actors elicits crucial questions about relative policy influence. As outlined in Chapter 1, this study engages with the three theoretical approaches of neo-institutionalism, the critique of Neo-Liberalism, and urban governance each of which address questions of political autonomy and social inclusion, but provide different lenses through which to analyze them.

This chapter engages with the neo-institutionalist perspective in more detail. This approach argues that the set of ‘top-down’ macro-institutional structures particular to
Canada’s national political economy shapes, and in many ways, constrains local efforts at strategic policymaking. The purpose of the chapter is to establish the macro-institutional policy context within which efforts at local workforce development must be understood. It will begin with a brief comparative discussion of trends in national labour market policies across OECD countries where economic demands for efficient labour markets that match the supply of skilled workers with firms are coupled with concerns about rising income equality. These concerns are in turn overlaid with frustration over the difficulty of developing all but the most broad national labour market policies. This has led to a great deal of nationally, regionally, and locally-driven experimentation with local workforce development initiatives over the past decade or so, the results of which are decidedly mixed. Second, a more detailed discussion of developments in federal and provincial active labour market policy over the past 20 years underscores the complexity and contested nature of this policy area, and sets the stage for the analysis of local workforce development initiatives in three Ontario cities that will be undertaken in the rest of the study. Third, there will be a brief overview of current labour market policy in Ontario since the negotiation of a Labour Market Development Agreement in 2005, followed by a brief discussion of the rationale for examining labour market policy at the local level in that province.

‘Top-Down’ or ‘Bottom-Up’?: Comparative Labour Market Institutions and the Collective Action Problem

A large and well-known comparative institutionalist literature seeks to capture the diversity of institutional forms taken by modern capitalism. (Thelen 2004; Esping-Andersen 1990; Streeck 1989; Hall & Soskice 2001). In this tradition, a brief overview of two works in particular provides a useful framework for orienting the discussion of comparative labour market policy. Ashton & Green (1996) and Crouch, Finegold and Sako (1999) each take a neo-institutionalist approach to explaining variation in skill formation systems across advanced industrialized countries. Ashton and Green (1996) draw from neo-institutionalist arguments about path dependency, which argue that the form institutions take when they are established shapes their subsequent development, and once established are very difficult to
change. Similar to Hall and Soskice’s (2001) well-known varieties of capitalism argument, they argue that “the education and training system that is set up at the time a country becomes industrialized sets the tone for the subsequent character of the system”, and that “each type of labour market is enabled by a system of regulation that involves both the state …and the ‘social partners’” (Ashton and Green 1996, pp. 6, 23). In their comparative framework of national skill formation systems, they describe Germany, Japan, and the Newly Industrialized Economies (NIEs) of the Pacific Rim (Hong Kong, Singapore, Taiwan, and South Korea) as having taken a ‘high skills route’ to accumulation, where a high wage, highly skilled labour force is engaged in high-value-added production activities, the development of which is supported by a corporatist framework that institutionalizes the input of all labour market actors. In contrast, older industrialized countries like the US and the UK have followed a ‘low skills route’, marked by a lack of coordination between labour market partners, under-investment in workplace skills by firms, and a polarized labour market where highly educated workers reap the benefits of economic prosperity and a persistent “low wage sector” of “relatively insecure low-paid employees” work in unskilled jobs that require only minimal levels of literacy and numeracy (p. 34).

Both Ashton and Green (1996) and Crouch, Finegold and Sako (1999) focus their analysis on foundation and intermediate skills provided through vocational education and training (VET), rather than higher levels of academic training, because it is seen as a critical public policy tool aimed at safeguarding the economic position of the majority of the working population. They both support, in principle, the general consensus among policymakers that economic competitiveness requires a highly skilled and productive

15 There are important limitations to using a broad neo-institutionalist framework. Arguments about path dependency and institutional ‘lock-in’ are overly deterministic and tend to preclude the possibility of institutional change (Thelen 2004). These frameworks also tend to be overly dualistic, and cannot account for the vast diversity of institutional forms taken by modern capitalist economies. Finally, there are distinct qualitative overtones that imply judgments about the relative merit of some institutional structures over others, which is of less value than providing a reflexive critique of individual institutional structures. Nonetheless, the ‘high skill’/‘low skill’ framework is useful for orienting the subsequent discussion of the institutional framework for labour market policy in Canada.

16 The US may not completely qualify as a ‘low skill equilibrium’ because though US firms sponsor very low levels of training, high proportions of the population have at least a secondary school education, and have access to a high-quality university system. Instead the salient feature of the US case is the “polarization and divergence” that is marked by “remarkable rises in income inequality, the enormous inequalities in access to education and the exclusion of most of the black population from affluence” (p. 97).
workforce, and that skills development policy has the potential to address both social and economic welfare concerns. However, they also express critical reservations about the linear assumptions of human capital theory upon which much labour market policy is based, which “portrays the link between training and the economy in a simplistic and misleading manner” and “proposes an unproblematic link between the stock of skills and the outputs of a productive system” (15, 17). From a public policy perspective, the concern is that “in the attempt to find grounds for optimism, policy-makers are clutching at the idea of the learning society with insufficient attention to its limitations and to ways in which its pursuit presents awkward choices rather than a smooth consensus” (Crouch et al, p. 5). Perhaps most importantly, Ashton and Green emphasize that “the organization of production is an essentially a conflictual process” (1996, 35) and “disputes about training are typically an aspect of wider disputes about industrial relations and about the direction of the economy” (1996, 37).

Endemic conflict compromises the development of comprehensive national labour market policies by creating a difficult collective action problem. By nature, education and training cannot rely on supply-side education policies operating in isolation because improved skill levels are not, on their own, employment generating (Crouch et al. 1999). For example, while societies with a history of strong support for education “may have a comparative advantage in industries requiring highly skilled workers”, the case of Canada demonstrates that commitment to a high level of education funding has not produced a requisite high level of “skill formation in the workplace” because “there has not been a corresponding development of the productive system” (Ashton and Green 1996, 38, 100). While the state retains a critical role in the provision of education and training because individual firms will only train selective groups of workers on selected skills, which will not benefit skill levels of society as a whole, education policy cannot be planned without employer input, because training is quickly outdated as technologies change (Culpepper

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17 From a discursive perspective, one approach that often reflects the views of organized labour, sees locates the problem of worker training in the unwillingness of employers to voluntarily invest in long-term training and argues that state intervention is required to increase levels of employer-sponsored training to benefit workers as well as individual firms. From another perspective, which often represents the views of business, the assumption is that only employers are in a position to define national training needs because only they are in a position to know what training their workers require (Culpepper 2003).
Yet, if governments defer to private sector priorities, they risk losing the capacity to sustain collective public concerns.

In this way, labour market policy is a particularly salient example of governance dilemmas in advanced industrialized societies. Public problems increasingly require collective solutions, but “the core biases of political and economic action increasingly reject collective action” because collective goals require cooperation between private actors who have little other incentive to cooperate (Crouch et al. 1999, 8; Culpepper 2003). While the need to balance economic development and social welfare pressures is becoming more and more insistent;

In liberal welfare regimes…the dominant welfare threats to competitiveness are not those of disincentives…[but of] of inequality and its effects: instability in demand, and poor quality educational base and social disintegration…The policy solution almost universally advocated is investment in education and training to improve the skills base and enhance high-productivity sectors of the economy. The dilemma which this may pose is that high quality education cannot exist with long-term poverty, a growing ‘underclass’ or major community disintegration. These regimes may well need to increase all forms of social expenditure – on infrastructure, social services and social transfers – in order to realize these gains on competitiveness. The absence of major incompatibility threats provides the economic leeway for this to happen, but the interest coalitions [preferences of capital] fostered within liberal welfare regimes militate against this solution” (Gough 1996, 227).

Making public policy in the context of these dilemmas can result in governments moving too far to accept firm-based agendas and the needs of business, which incapacitates public policy and restricts labour market policy to residual care for the unemployed (Crouch et al. 2003). The association of governments with “social failure”, and of the private sector with dynamism and innovation leads to a serious “predicament for public policy” whereby state initiatives are seen to dilute private sector innovation with social concerns (Crouch et al. 1999, 219). Because education and training issues are inherently conflictual, any innovative policies for skill creation require the support of a strong coalition of state and non-state labour market partners to forge a workable consensus; “the difficulties are not technical but political” (Ashton and Green 1996, 190).

Governments need to develop innovative solutions to this collective action problem, and “public agencies need to find new ways of working with the business sector that neither repeat the former remoteness of government departments nor continue the present trend of relinquishing policy leadership to firms” (Crouch et al. 1999, viii). Pragmatically speaking,
Chapter 2

policymakers need to work within the realm of the possible provided by their particular institutional frames. Ashton and Green outline the institutional requirements for a high skills route to accumulation, which include the commitment of political elites, high levels of basic competence provided by a high quality education system, the commitment of leading employers to workplace skills, some form of regulation to ensure training quality and to provide incentives for firms to provide training, incentives for individual workers to commit to skill formation programs, and a mix of institutional and on-the-job training to keep skills updated.

Drawing from the comparative welfare state and production regime literatures, Haddow and Klassen (2006) predict that in liberal market economies, corporatist tools will be poorly developed, and the dominant pluralist systems of interest intermediation will likely favour the interests of business. Furthermore, these political economies will rely on the market to provide job-specific skills with the state left to provide supply-side general education they will spend less on active labour market measures, and because they lack comprehensive social security measures, will rely on social assistance programs to provide for the most vulnerable. From a comparative macro-institutional perspective, Haddow and Klassen (2006) argue that Canada cannot be treated as a straightforward ‘liberal political economy’, because neo-liberal retrenchment has not been as pronounced in the Canadian welfare state as in other countries, Canada’s labour movement is stronger than in the US, Canadian business has had little incentive to actively thwart labour market reforms, and finally, Canada’s political tradition is more collectivist, and Canadians appear to have a greater tolerance for state measures targeted at disadvantaged groups and regions. As a result, they argue that variability at the sub-national level is affected by “nationally-distinctive historical legacies” that are not adequately explained by ‘varieties of capitalism’ typologies; emphasizing institutional variety and situated choice, they find that “while always situated and constrained” political agency matters (ibid., 285).

In this context, the degree of autonomy or political agency that cities have to develop their own strategies to address their own distinctive sets of social and economic problems is the primary subject of this study. The argument advanced here is that labour market governance innovations can – and do - occur at the local level. The degree to which central governments have rallied efforts around workforce development and devolved responsibility
has received varying degrees of attention and the division of responsibilities between levels of government varies in each case. While some European countries like the UK and Denmark have established comprehensive national workforce development strategies that link national policy with local program delivery, other federal systems such as Belgium and the US have been typically less involved at the national level in supporting the development of comprehensive skills upgrading initiatives for low-skilled workers (Nativel 2006). As a result, workforce development initiatives in these countries have tended to be “bottom-up” or community-driven.

The OECD has been one of the more visible proponents of decentralization and the local governance of labour market policy to promote administrative flexibility and sensitivity to regional economic development (OECD 2004, 2005, 2006, 2008). Working on the core premise that “the most important tools for fostering innovation are to be found at the microeconomic and local levels”, recent OECD analyses of workforce development emphasize the importance of local governance mechanisms, in the form of ‘area-based partnerships’, to co-ordinate local labour market initiatives with local economic development (Giguère 2006, 13). Citing Martin and Grubb’s (2001) research indicating that labour market programs are most effective when they match the skills of local ‘target groups’ with local labour market needs, the OECD has consistently emphasized generic ‘area-based partnerships’ to pursue the overlapping community goals of social cohesion and employment and skills development” (Giguère 2006, 23). In this context, skilled labour is seen as a core element of local economic and employment growth, where “the ultimate aims are to guarantee the efficiency of the labour market and to increase productivity”, and where local governance mechanisms are “absolutely key” (ibid., p. 15-16). Social cohesion supports a general ‘quality of life’ that is “conducive to a good business climate that attracts capital and talents”, and social inclusion, therefore, has a distinctly market-oriented focus which involves “integrating disadvantaged individuals and minority groups into the labour market” and “helping them to take part in the development of a prosperous society” (ibid., 18)

With an intrinsic focus on endogenously articulated development strategies, the OECD outlines a variety of local governance arrangements aimed at co-ordinating social inclusion and economic development, including area-based partnerships, enhanced tripartite bodies, regional skills alliances, regional strategic platforms, and empowered regional
assemblies, each of which imply a greater or lesser degree of formal institutional mechanisms to integrate state and non-state labour market partners. Local workforce development networks operate within a larger macro-institutional context, and in liberal market economies like the US, the UK, and Canada, are most likely to take the form of broad and relatively informal area-based partnerships between local authorities, community representatives and civil servants that “stimulate the uptake of public programmes that can help move forward their local agenda…and connect local initiatives with government programmes” (ibid., 23), or more narrow and targeted regional skills alliances that “address workforce issues affecting firms operating in specific geographical areas” and seek to “resolve systemic and structural problems related to labour and skill shortages, training mismatches, employee recruitment and retention, and organizational design” (ibid., 25).

**Active Labour Market Policy in Canada and Ontario: ‘Top-Down’ Macro-Institutional Constraints to Local Labour Market Planning**

Citing the economic and policy consensus of the time that skills training is required to provide the well-trained workforce that is the key to economic adjustment and competitiveness, many observers have expressed serious doubts about Canada’s ability to come up with a coherent and comprehensive national skills development strategy (Haddow 1995, 1998; Tuohy 1992; Bakvis 2002; Klassen 2000a, 2000b). The following section establishes the institutional context for understanding developments in active labour market policy over the past 20 years at both the federal and Ontario levels, and traces institutional and political impediments to federal and provincial attempts to establish collaborative and coherent policy frameworks for workforce development.

**Federalism and ‘Collaborative’ Labour Market Policy**

Though institutional performance in active labour market policy in Canada has been generally patchy and lackluster over the past twenty years, it was punctuated by several major policy changes and governance experiments throughout the 1980s and 1990s. In the 1980s, the federal government under Prime Minister Mulroney initiated and institutionalized formal
labour and business consultation into the design and delivery of federal training programs. At the same time, some provinces experimented with their own tri-partite and multi-partite “neo-corporatist” innovations. Not much later, in an abrupt departure from the normal pattern of federal-provincial relations in this field, the Chrétien Liberals devolved responsibility for labour market training to the provinces, paving the jurisdictional way for new forms of ‘collaborative federalism’ (Simeon and Cameron 2002).

In the late 1980s, two major policy changes radically re-oriented the pattern of federal-provincial relations in the area of labour market policy. With the intention to address the long-standing perception that government labour market programs were not assisting Canadian workers to obtain sufficient job-relevant skills, and that the training efforts of the private sector were similarly inadequate, the Labour Force Development Strategy (LFDS) was announced by Employment and Immigration Canada (EIC) in 1989. The EIC commissioned the Ottawa-based bi-partite business-labour organization, the Canadian Labour Market and Productivity Centre (CLMPC) to conduct consultations with business, labour and other groups on labour market policy, and to oversee the implementation of the national, multi-partite National Training Board (NTB). The NTB was in turn intended to oversee the implementation of similarly designed Labour Force Development Boards (LFDBs) in each province, and Local Training Boards to guide training initiatives at the local level. The LFDB structure was an important institutional innovation because it provided for non-governmental membership, led by labour and business, but also including representatives of various ‘equity groups’ and educators, who taken together, would be given “an unprecedented degree of influence over national and provincial labour market initiatives” (Sharpe and Haddow 1997, 3). In addition, it envisioned a collaborative multi-level governance structure that involved not only complementary non-governmental structures at provincial and local levels, but also coordination and information-sharing among national, provincial and local boards. Concurrently and independently, some provincial governments were working on their own

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18 The NTB was comprised of 22 voting members including 8 each from business and labour, 2 from education, and 4 from the social equity groups of women, the disabled, Aboriginal peoples, and visible minorities, as well as 1 non-voting representative from each province. LFDBs were eventually established in 7 provinces: Newfoundland, Nova Scotia, New Brunswick, Quebec, Ontario, Saskatchewan, and British Columbia.
collaborative policy experiments that each sought to implement their own forms of “neo-corporatist” models. In Ontario, the NDP established a new agency, the Ontario Training and Adjustment Board (OTAB), which built on the recommendations of the Premier’s Council Report, *People and Skills in the New Global Economy* commissioned by the previous Liberal administration, and in Quebec, the Parti Québécois established the Société Québécoise de la Main d’Oeuvre (SQDM). Although policy developments at the federal level were important catalysts for boards in these provinces, neither the federal government nor the CLFDB played an instrumental role in launching them.

Not too much later, in response to the narrow defeat of the ‘yes’ option in the Quebec referendum in 1995, and in a move that appeared to “go against both history and the prevailing view of the importance of worker training”, the federal Liberals under Chrétien devolved responsibility for occupational training to the provincial governments under the Employment Insurance Act of 1996, which gave the provinces about $1.5 billion to deliver training programs to EI clients (DiGiacomo, 2001, 1). The federal government retained responsibility for the broad residual right to “undertake pan-Canadian activities, as yet undefined, either in response to special labour market problems or in situations that affect the country as a whole or a significant area of the country”, a provision that paved the way for federal oversight of what later became the Sectoral Council Program under Human Resources Development Canada (HRDC) (ibid., 36).

While some provinces felt that they were not in a position to take up such an ambitious policy agenda, others were quite keen to take over complete control, and the result was two types of bilateral Labour Market Development Agreements (LMDAs) – co-management and full transfer – that were negotiated between each province and the federal government. Ontario was the only

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19 This move was marked by a re-naming of Unemployment Insurance to Employment Insurance to reflect a shift in emphasis from passive labour market programs (PLMPs) of income support to active labour market programs (ALMPs) that focus on skills training. ALMPs included wage subsidies to employers, earnings supplements to EI recipients, income subsidies for EI recipients starting their own businesses, funding for community job creation projects, and support for EI recipients to obtain training.

20 The federal government also retained responsibility for setting EI policy, managing the EI fund, delivering benefits, and determining eligibility, as well as the ability to develop and deliver active labour market measures for non-EI clients including youth, people with disabilities, Aboriginal peoples, older workers and recent immigrants.

21 Ultimately, four provinces and two territories, including BC, Alberta, and Quebec opted for complete devolution, or full-transfer agreements, and five provinces and one territory opted for modified co-
outlier in the devolution process, and did not sign an LMDA until ten years later, in 2005, the repercussions of which will be discussed in more detail below.

In his analysis of pre-devolution federal-provincial relations surrounding the main training initiatives under Mulroney, Haddow (1995) argues that intergovernmental conflict marked by “competing jurisdictional claims, policy-making capacities, and program goals have always plagued federal-provincial relations on training” (339) and that as a result, labour market policy has typically been subject to institutional tinkering without much substantive change. Tuohy (1992) finds that federal policy has been ambivalent and incoherent because in the areas of unemployment insurance and training programs “policy development has been fraught with federal-provincial tensions and marked by a lack of consensus over the objectives and design of policy” (167). For example, under the Mulroney Conservatives’ “market-oriented, neoliberal” approach to training that emphasized private-sector leadership in policymaking, and budgetary restraint that targeted social benefits to only the most needy, the implicit intention of “private-sector partnerships” outlined in the Labour Force Development Strategy (LFDS) of 1989 was to reduce provincial influence over federal training expenditures and to institute a new multipartite policy consultation process administered through the newly formed CLFDB to replace provincial input with that of the private sector. 22 Yet only four years later, despite a clear intention to support a national training strategy “in partnership with business and labour”, the Chrétien Liberals dismantled the CLFDB and focused instead on substantial funding cuts to UI. Haddow (1998) argues that the “substantially reduced” involvement in LMT policy of the Chrétien Liberals between 1993 and 1997, had more to do with the fallout of failed constitutional politics, a

management agreements. The exception was Ontario, which to date, has still to negotiate an agreement. For a more detailed discussion of the substance of these agreements see Bakvis, pp. 207-209.

22 This federal training strategy was based on a distinctly federal vision of what it might look like, and how it was to be administered. The interjurisdictional design of the CLFDB was envisioned according to a federally-controlled “three-tiered network of boards [that] reflected the centralism of its authors, granting to the national board important prerogatives over provincial and local structures” that would run according to CLFDB national guidelines for implementation (Haddow 1995, 353). Provincial boards were to be monitored by the federal board and the main responsibility of the provincial boards was confined to overseeing the activity of local boards. According to established patterns of intergovernmental relations, the more powerful provinces that “traditionally asserted their own prerogatives in the training field”, such as Ontario, Quebec, BC and Alberta, were able to effectively resist federal domination and to establish their own structures that were “radically at variance with federal design” (ibid., 357). Examples of this are the SQDM in Quebec and OTAB in Ontario.
fiscal policy anchored in deficit reduction, and continued federal-provincial tensions, than with labour market considerations themselves. The federal distancing from active approaches to training culminated in the 1996 decision to permit the provinces to assume administrative control over federal training expenditures under EI, which has had the essentially irreversible effect of barring future governments from undertaking ambitious and coherent national policy approaches to training (Haddow 1998; DiGiacomo 2001).

Adversarialism in the Canadian industrial relations system has been another major impediment to successful collaborative strategies in the design and delivery of worker training programs. Tuohy (1992) argues that states respond differently to conflict through their own particularistic conflict resolution mechanisms that are shaped by how institutions and societal interests intersect. In Canada, variation across policy areas is marked by “institutionalized ambivalence” where the political system deals with “divergent principles and interests by institutionalizing them” (347). Despite some consensus and buy-in from both business and labour, attempts to establish collaborative, tri-partite consultation mechanisms have followed a “tortuous path”, because labour and business are accustomed to dealing with each other on an adversarial basis. While the labour movement has been powerful enough to stymie policymaking efforts of both business and the state, but not internally organized and powerful enough to exact concessions for its policy buy-in, business tends to be not much better organized, remains decidedly firm-centred rather than collectivist in its orientations, and is fragmented along regional and sectoral dimensions. As a result, federal efforts in labour market policy have been more focused on “bureaucratic reorganizations and the repackaging of programs than on substantive policy development” (ibid., 161). By default, the role of mediator in labour relations has fallen to political parties, and federal parties attempting to mediate between labour’s insistence on full employment strategies and business concern to protect the autonomy of individual firms found “only the narrowest of common ground” that focused on “the protection of those most disadvantaged by economic forces”23 rather than active support for firms and workers trying to adjust to

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23 This refers to social welfare type adjustment support for those negatively affected by competitiveness pressures such as the poorest regions, the long-term unemployed, workers in need of basic skills, and failing or uncompetitive firms.
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Competitiveness pressures. Tuohy argues that generalized dissatisfaction from business, labour and provincial governments alike with this “lowest common denominator” approach to LMT policy initially provided the impetus for these groups’ participation in collaborative experiments at the federal, provincial and sectoral level, but that these attempts ultimately failed because “collaborative superstructures” cannot be built upon “a base of adversarial workplace relations” (ibid., 168).

Constitutional factors add yet another layer of complexity to the labour market policy sector in Canada (Haddow, 1995, DiGiacomo, 2001, Bakvis, 2002). There are no formal constitutional provisions for labour market issues and worker training, and this ambiguity has resulted in much intergovernmental wrangling for control over labour market policy. The most salient rationale for federal involvement in LMT policy has been that occupational training is essential to national economic adjustment. Consistent with the long-standing provision of occupational training in provincial educational institutions, the provinces have historically claimed legitimate jurisdiction on the basis of their exclusive control over education. As such, original constitutional ambiguity has continued to drive the pattern of intergovernmental conflict over labour market policy in Canada. Haddow (1995) underscores the ambiguity and contradictions in federal behaviour where the federal government that had consistently sought to circumvent provincial influence over training since the early 1980s, demonstrated a clear willingness to cede authority to the provinces in the Charlottetown constitutional proposal of 1992. Throughout the time that the federal government was attempting to build a national training strategy, federal officials were keenly aware of the larger underlying constitutional context of their efforts, knowing that any constitutional package that offered new powers to Quebec would have to be offered to all provinces, which would directly conflict with CLFDB attempts to build a national training strategy. The failure of the Charlottetown Accord coupled with the razor-thin defeat of the ‘yes’ option in the sovereignty referendum seemed to galvanize labour market policy. Seeing

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24 For example, business/labour polarization over training issues was especially evident in CLFDB discussions where business advocated structures that preserve the prerogative of individual firms to determine their own training needs, and emphasis on job-specific skills, and resistance to the equality given to labour representation on the board, whereas labour argued that training should be portable, adaptable, and of high quality in order to improve labour mobility and wage levels, and advocated more centralized control over training expenditures to assure that training met these requirements (Haddow, 1995).
an opportunity to appeal to Quebec and divest itself of responsibility at the same time, the federal government devolved substantial powers over training expenditures to the provinces in 1996. In the wake of the federal devolution that resulted in bilaterally negotiated Labour Market Development Agreements (LMDAs) with each province, Haddow (1998) observes that federal-provincial relations have displayed precisely the pattern of “administrative asymmetry” that they had tried to avoid in constitutional negotiations, where the outcomes of intergovernmental conflicts over labour market policy differed across provinces. While LMDAs may have solved a constitutional impasse in the short run, they have done little to lend coherence to larger national labour market strategies, and “the development of national policies deemed necessary in an increasingly globalized economic environment now appears to be well nigh impossible” (Bakvis 2002, 215; DiGiacomo 2000).

Finally, Haddow (2000) observes that executive and bureaucratic actors dominate governmental decision-making in most policy fields in Canada, and Klassen (2000a) argues that experiments with formal mechanisms to link society and the state by facilitating the influence of non-governmental actors in the labour market policymaking process have been disappointing largely due to bureaucratic resistance. This argument is developed in greater detail in Sharpe and Haddow (1997), which essentially asserts that federal and provincial experiments with LFDBs failed partly because bureaucrats and responsible ministers were skeptical of the policymaking abilities of private sector board members, who sought to protect their own traditional policymaking prerogatives. Bureaucrats not accustomed to influence from consensual bargaining among social partners were more comfortable with and responsive to traditional parliamentary norms of ministerial responsibility. This resistance, coupled with a lack of political commitment to the process from governing politicians, represented “a ubiquitous barrier to corporatist institutional reform in the labour

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25 Stronger provinces that were able to resist federal policy, (primarily Quebec, Ontario, BC and Alberta) negotiated full-transfer LMDAs that accommodated their authority, whereas smaller provinces tended to negotiate co-management LMDAs and remained more dependent on the federal government.

26 The Nova Scotia and Newfoundland boards closed, New Brunswick and Saskatchewan survived but only in an advisory capacity, and the federal CLFDB never acquired significant influence and was closed in 1999, before it ever had a chance to establish itself. The most initially successful were those provinces that independently launched their own LFDBs: Quebec (SQDM), Ontario (OTAB) and BC (ITAC). However, as discussed below, OTAB was unable to withstand various pressures and was disbanded. The SQDM was ultimately the most successful, and is the only survivor.
market field” (303). Klassen (2000a), however, describes the current labour market policy regime as generally collaborative, because the LMDAs have generated “little, if any, political tension between the two levels of government”, and were negotiated with “a high degree of good will” (190). Many provinces actively sought responsibility for labour market policy to demonstrate their capability to effectively design and implement programs, while the federal government initiated the transfer and did not want to be seen as “impeding the process it initiated” (193). All of this implies, however, a great deal of bureaucratic involvement, which is predictable in the relatively peaceful implementation phase that follows the hammering out of a major agreement. From the viewpoint of democracy, “the new regime implies less involvement from politicians, and less participation by stakeholders and the general public in setting strategic policy” (191). Klassen suggests that along with the demise of the CLFDB, went the last opportunity for formal stakeholder involvement in the labour market policy process; “Without the CLFDB there will be less, indeed little, opportunity for Canadians to have a non-governmental perspective on labour market issues. The lack of interest of many provincial governments (with Quebec as an exception) in corporatist boards further suggests that citizen involvement at the level of strategic policy is not likely to be a priority under the new regime” (191).

**Active Labour Market Policy in Ontario: Paving the Way with Good Intentions**

This section traces the fate of parallel collaborative experiments in labour market policy that occurred in Ontario in the mid-1990s, offers a brief overview of the lackluster policy climate within which labour market policy was conducted after the demise of OTAB until the signing of the LMDA in 2005, and offers some insights into the current active labour market policy framework that has been under development since the implementation of the LMDA in 2007. Mirroring governance innovations that were happening at the federal level and in some provinces at the time, the Premier’s Council (1990) recommended the establishment of an Ontario Training and Adjustment Board (OTAB) to promote the development of a highly skilled workforce. Started by the Liberals under David Peterson,

27 In this context, he predicts that the role of bureaucratic actors will increase, and consequent opportunities for stakeholder group input will vary according to whether provinces have co-management agreements which tend to be more collaborative, or full-transfer ones which tend to be less so.
and taken up by the NDP under Bob Rae, the government set about creating an entirely new agency to oversee workforce development in Ontario. Unlike the CLFDB, and reflecting the influence of organized labour on its original implementation, OTAB was given direct decision-making authority over training and adjustment programs. It was not, however, given the power to re-allocate funds between different funding envelopes as needed to meet their policy objectives, and most analysts concur that “by any account, OTAB was a failure” and “accomplished remarkably little” (Haddow and Klassen, 2006, 124). As Wolfe (1997) chronicles in his study of the rise and fall of OTAB, the agency quickly became mired in political tensions and conflicts that ultimately led to its demise. OTAB was swiftly dismantled shortly after the Conservative government under Mike Harris came to power in 1985, and its responsibilities were transferred back into various bureaucratic portfolios.

The vicissitudes of party politics figure prominently in several accounts of incoherent LMT policy at both levels of government (Bradford 1998; Klassen 2000a, 2000b; Sharpe and Haddow 1997; Bakvis 2002). Bakvis argues that the failure of Ontario to negotiate an LMDA was a political one, was “due as much to…the reluctance of Ontario Liberal MPs to see funding and programs handed over to the Mike Harris-led Progressive Conservative provincial government, as to specific disagreements over labour market development” (207). Similar to Haddow (2000, 2002), Bradford (1998) argues that the explicit intention of these collaborative experiments was to build the capacity of social interests to assume public policy responsibility, and that the establishment of formal associative mechanisms involved “significant devolution of executive decision-making authority to interest representatives”, and “extraordinary political and administrative resources” to build this “new partnership-based governance regime” (540). Shifting priorities, social bases, and electoral coalitions of successive political parties create opportunities and a “climate of expectations” within which different interests pursue their agendas. In Ontario, the business community expected a one-term NDP government, and in anticipation of their loss in the next election, stymied the operation of OTAB by refusing to actively participate in most partnership settings and by publicly discrediting the NDP government and the associative policy-making process. At

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28 As outlined in the NDP government’s Skills To Meet The Challenge: A Training Partnership for Ontario, which outlined the NDPs OTAB model. This model differed significantly from the original Premier’s Council Report because it expanded representation on the board to include four social equity groups.
the same time, despite some discrepancies between individual unions, labour, also expecting a short-term NDP government, worked hard to advance its agenda within the fairly brief window of political opportunity. Ultimately, the expectations for OTAB were too high, and the mandate too wide to accomplish what it set out to do. Bradford concludes that the existing institutional structure was not particularly conducive to collaborative experiments because “the partisan shadow for associative experiments is especially wide in liberal polities [and] the absence of a firm social partnership for these new institutions heightens their vulnerability to shifting electoral winds” (p. 560). The lack of a strong coalition of interests in Ontario civil society meant that OTAB became an easy target for a new party “keen to demonstrate its ideological commitment to radical retrenchment of the provincial state’s role in the economy and of the influence of so-called special interests in mediating market forces” (560).

In a similar argument, Klassen (2000b) locates explanations for OTAB’s demise in an underlying lack of consensus over priorities that prevented its abilities to establish a strategy that was acceptable to all of its stakeholders. His model of underlying value conflict suggests that collaborative arrangements are not likely to be successful when built on a foundation of “precarious values” which exist when “politically, economically, and socially powerful groups disagree about the most effective means to achieve agreed upon ends” (6).

In this view, OTAB was doomed to failure at the outset because it attempted to operate in a context of fundamental disagreements between labour and business about the role of the state in the labour market, intergovernmental conflicts, and the purpose and direction of training, overlaid with historical animosity in an adversarial industrial relations system. Ultimately, while the corporatist model sought to “harness the interests of business and labour to forge coherent policies, rationalize programs, and involve the private sector in training”, the outcome indicated that “business, labour, equity groups, and government were unprepared, unwilling, and unable to work together in the nascent agency” and “the agency was hindered in that its central value, cooperation between labour, business, and equity groups, was precarious.” (148-149).

These analyses also point out the dynamics of corporatism itself as root cause of collaborative failure, both in LFDBs generally, and in OTAB where “consensus among business, labour, and social equity groups proved elusive” (Bradford 1998, 552; Wolfe 1997;
Sharpe and Haddow 1997; Haddow 2002). Unlike corporatist bodies in Europe made up of labour and business representation, the approach in Canadian LFDBs was unique in that they all formally included representation from other typically more marginal societal interests. In a detailed set of case studies of Labour Force Development Boards (LFDBs) in eight provincial jurisdictions, Sharpe and Haddow (1997) found that equity members on corporatist boards tended to see themselves in pluralist terms as advocates of particular positions, rather than in corporatist terms as responsible for building a consensus with opposing interests and legitimizing this consensus with their constituency. The underlying clash in expectations between producer groups and social equity groups proved to have a paralyzing effect such that “the presence of equity representation on LFDBs...generally reflected political imperatives”, such that, if left to themselves, “business and labour likely would have constructed boards that excluded them, or at least minimized their influence” (Sharpe and Haddow 1997, 21). The failure of neo-corporatist experiments in Ontario provides a classic example of why neo-institutionalist arguments about path dependence matter. Policymakers at the time attempted to introduce a corporatist institution into a liberal market economy with an adversarial industrial relations system. In retrospect, it is possible that these innovative initiatives would have been more successful had they been introduced more gradually, and given the time to evolve. As discussed, however, the brief policy window closed all too quickly, and whether OTAB could have met with more success has become a moot point.

The Current Policy Framework in Ontario: the ‘Lost Years’ to the LMDA Years

The years between the demise of OTAB in 1996 and the signing of the LMDA in 2005 are the ‘lost years’ for active provincial labour market policy and strategic workforce development efforts in Ontario. Looking at the policy framework that emerged in this time period, it would be difficult to believe that so much radical experimentation actually occurred because so little of the legacy remained. Labour market policy was quickly and

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29 This conflict over perceptions of the political role of equity groups was exacerbated by differences in opinion over the composition of LFDBs. Though the NDP wanted equity groups to have equal representation with business and labour, with 8 seats for each constituency, the composition of equity groups was ultimately reduced to 4 representatives, whereas business and labour retained 8 seats each.
firmly ensconced back into bureaucratic hands, and most resembled the pre-1990 policy framework, marked by patchy program delivery, duplication of services, and federal-provincial discord. Under Mike Harris’ Common Sense Revolution (1995 to 2003), labour market policy was decidedly oriented to market signals and the needs of business, rather than collaborative planning and decision-making.

Though, like the Liberals and the NDP before them, the Conservatives sought a “less institutional, more flexible training system”, their motives were quite different; “they saw training more as a tool to meet market need experienced by employers (an efficiency objective), than as a means by which to pursue equity [objectives]” (Haddow and Klassen 2006, 126). There was little effort to reform training programs, with the exception of apprenticeship, and many active labour market programs that involved training subsidies to firms, including support for labour force planning, adjustment measures for older workers, and placement programs for social assistance recipients, were cancelled (Haddow and Klassen 2006). Overshadowing the already lackluster performance of training policy, however, was “the protracted conflict with the federal government regarding the administration of...employment insurance-funded training expenditures in the province” (ibid., 126). As discussed above, unlike all other provinces, the Harris government was unable to negotiate an LMDA or modified transfer agreement with the federal government.30 A desultory effort to co-ordinate labour market planning, the Ontario Jobs and Investment Board (OJIB) was a consultative body created in 1998 to provide private sector advice on the economy but was dissolved after only 2 years of activity. By the time the Liberals took over in 2003, little notable activity had occurred for years until the sudden announcement in November 2005 that the Ontario and federal governments had finally signed the long-awaited LMDA, that officially came into effect on January 1, 2007.

30 Most accounts attribute this failure to political friction between the Harris Conservatives and the federal Liberals.
Local Training Boards in Ontario

In this context, the system of twenty-one Local Training Boards across Ontario communities is a form of local level associative activity that represent the last remaining vestige of innovative neo-corporatist experiments in labour market policy in Ontario that survived the purge of the NDP training agenda by the Harris Conservatives. Jointly created by OTAB, the Ontario Ministry of Education and Training, the CLFDB, the Human Resources Development Canada, and implemented in 1994, the Local Training Boards still exist, and were jointly funded by Human Resources and Skills Development Canada (HRSDC) and the Ontario Ministry of Training, Colleges and Universities (MTCU) until the transmission of active labour market policy to MTCU in 2007.

In the 1980s, the federal government established local committees, run by non-governmental actors to direct part of training expenditures at the local level. When the CLFDB was introduced in 1991, it was intended to replace these local committees with a nation-wide network of 75 stakeholder-led local training boards across Canada whose structures were to mirror the tripartite composition of federal and provincial boards, with eight representatives from the local business community, eight from labour, four social equity groups, two from the education sector, and one from each of the provincial and municipal governments. The intention was to devolve local labour market planning responsibilities and decision making to local stakeholders and community groups in order to more accurately target federal and provincial training programs. The highly ambitious original mandate of local boards included the development of locally sensitive labour market policies, liaison with federal and provincial labour market boards, and the disbursement of funding for training activities at the local level. In order to fulfill this mandate, local boards

31 The network began with 25 local boards, but several communities, including Ottawa have been unsuccessful in maintaining a training board, so there are currently 21 local boards. The other form of associate activity in the area of active labour market policy is the federally-supported system of sector councils. Sector councils refer to corporatist-like organizations in industry sectors. Most sector councils were launched in the 1980s, and even after it devolved responsibility for active labour market policy to most provinces in 1996, the federal government retained its role as sponsor of the sector council program under the rubric of “pan-Canadian training activities”. The sector councils, however, are only funded to undertake sector-wide labour market studies rather than to implement actual training programs (Gunderson and Sharpe 1998). Currently there are 28 sector councils in Canada, operating in a variable state of health. They are supposed to become self-financing after three years and even though most have survived, the federal government has pulled funding even on some of the longest standing (Haddow 2002).
were to conduct regular ‘environmental scans’ of the local labour market to identify local training needs, and to generate a strategic plan to establish broad directions and specific actions to guide the local labour market planning process. In order to accurately reflect the needs and composition of the local labour market, local board members were selected to represent different interests and knowledge bases in the community. As will be discussed in more detail below, however, the performance of local boards has been as patchy and ambiguous as the policy framework under which they have operated. By the end of 2000, only one provincial LFDB remained in Quebec, and only Ontario had implemented a system of local boards.

The Labour Market Development Agreement (LMDA)

As noted above, very little policy or program activity of consequence occurred in the early 2000s in Ontario. The signing of the LMDA in 2005 and the devolution of responsibility for active labour market policy and programming to the provincial government was a turning point for labour market policy in Ontario. Subsequently, throughout 2006 and 2007, the Ministry of Training Colleges and Universities (MTCU) went through a “period of tremendous change”, uncertainty and policy flux, during which it re-examined “what opportunities exist” for labour market policy and programming (confidential interview). Under the agreement, all federal staff, federal programming, and budgetary resources financed through Employment Insurance were acquired by the province of Ontario, and are housed in MTCU. Now that the transition period is over, several major trends, and policy and program changes are evident. First, the ministry has undergone an internal re-organization from an historical focus on individual programs, to a “cross-cutting functional model” where individual expertise crosses program boundaries in an effort to establish more consistent quality and accountability standards for program delivery. Second, commensurate with the launch of the Employment Ontario website in early 2007, the ministry has set a long-term goal for establishing an integrated One Stop training and employment system

32 The strategic activities of local boards have become significantly attenuated since their initial establishment. However, producing an annual environmental scan in the form of a Trends, Opportunities and Priorities (TOP) Report remains a key deliverable.

33 The Labour Market and Training Division of MTCU now has a staff of over 1000 and a budget of $1 billion. In addition, 600 Service Canada staff positions were transferred to MTCU under the agreement.
designed to facilitate the linking of job-seekers and employers (www.edu.gov.on.ca/eng/tcu/etlanding.html). Second, the ministry has adopted a regional structure that established four new regional offices (Central, Eastern, Northern, and Western) to give MTCU “a stronger regional presence” and to improve and “rationalize client interface with MTCU programs” (confidential interview). Third, in addition to the social welfare component of labour market programming that has historically focused on low income workers, the “realization that the province’s level of competitiveness is directly linked to the skill sets of our workforce” has driven a shift toward strategic economic development and human capital policy and programming aimed at improving the skills of Ontario’s broader workforce. Fourth, and perhaps most critically, the ministry is attempting to “develop a strategic policy agenda for the province”, because in the void left by patchy programming and failed governance experimentation since the early 1990s, “there hasn’t been a strategic focus on labour market development for decades” (confidential interview).

The extent to which these changes reflect significant strategic policy changes and program innovations or the same patchy, supply-side policy approach and re-named and re-cycled programs, will not be clear for some time. What does not seem to be particularly new is the governance structure; policy development remains firmly centralized in bureaucratic hands at Queen’s Park, and reflects traditional patterns of stakeholder consultation far more than the direct stakeholder involvement that were the subject of so much experimentation in the 1990s. Interviews with both federal and provincial high level bureaucrats underscore this point; even when prompted, none of these interviewees acknowledged an awareness of – or the relevance - of ‘bottom-up’ local workforce development efforts. At the same time, however, the patterns of interaction that have emerged between policy-makers and stakeholders tend to be more fluid and iterative than in the past. As one interviewee described it, “it’s all about relationship-building”, but “it’s not a one-to-one relationship with [individual] organizations….it is very complex and happens at many, many scales. It’s very, very layered and the dialogue is happening at many, many levels” (confidential interview). Regularized, formal engagement occurs between the ministry and province-wide, sector-based organizations and advocacy groups such as Colleges Ontario, the Ontario Federation of Labour and the Ontario Chambers of Commerce, to name a few, but forms of interaction appear to be quite diverse and difficult to characterize. Soon after the LMDA was signed, for example, a Service Delivery Group
was established and the ministry visited groups of local service delivery organizations across the province “for the purposes of keeping them in the loop and getting their advice during the transition” (confidential interview). Different groups have different degrees of influence. While the more organized and structured groups have “a greater capacity to influence policy” and “can make their case more easily because they have the resources [and the] staff whose job it is to come here to meet with the deputy minister or take so-and-so to lunch”, smaller groups are “more reliant on the advocacy of the staff themselves and the relationships they have built on the ground and the ability for that relationship to make its way up through the system” (confidential interview). Ultimately, however, regardless of the degree of formality these interactions take, most “stakeholder interface” exercises tend to be “primarily information-sharing” (confidential interview).

**Locating the ‘Local’ in Labour Market Policy in Ontario: The Surprising Endurance of Local Training Boards**

In the modern multi-scalar, multi-layered, and multi-level policy process, a hierarchy remains, and in the area of labour market policy and workforce development at least, the local level appears to be entrenched at the bottom. The policy hierarchy is clear: policy is made at the provincial level by the Ministry of Training, Colleges and Universities, translated and negotiated through the regional offices, and implemented at the local level by service delivery organizations. When asked how much autonomy there exists at the local level to develop community-sensitive workforce development policy, another interviewee answered,

not much. There’s no one who’s sat down at the local level and said OK we’re going to talk policy, right? I don’t see how policy is developed at the local level apart from say Ontario Works or municipal economic development policy…The primary focus of government is customer service and service coordination and that kind of thing. I think the focus of a local group governance structure goes beyond that – there’s sensitivity and which to respond to the needs of how do we thrive as a community economically and socially, all those good things – there’s a true sort of planning structure that happens but they don’t link in well with the preoccupation with service coordination that is internal to governments. There’s a kind of a misalignment of priorities (confidential interview).

A proliferation of vague and ill-defined policy language alludes to the necessity of “collaboration”, “co-operation”, and “partnerships” between governmental and non-governmental actors, and between and across different government departments and levels
of government. Evidence of partnership arrangements that formally recognize local levels of governance, and acknowledge the local dimension of policy design and delivery are, however, comparatively rare. The ‘local’ level appears to attract little attention as a policy space in its own right. Beyond consultation, information-sharing, and service delivery, there does not appear to be a formal process for local involvement in this policy area in Ontario.

This section focuses on the role of local training boards in the context of experimentation with collaborative labour market governance mechanisms in Ontario in the 1990s. In his detailed analysis of local boards in Ontario, Rutherford (2001) chronicles a mixed record of local boards’ successes. On one hand, consistent with the findings of this research, Rutherford reports that local boards have been credited with establishing durable and collegial networks between stakeholders that would not otherwise exist. Interview respondents indicated that “representational conflict was almost absent and consensus easier to achieve” when compared with provincial efforts at OTAB, and that operating at the local scale “promoted a greater sense of ownership and responsibility in board-member actions” (Rutherford 2001, 1882). On the other hand, however, Rutherford also finds that from the outset, local boards have faced several structural challenges. He argues that “[local] labour market governance is directly linked to the conflicts and contradictions of state policy” and that local boards have developed in “a less than ideal national and provincial context” (ibid., 1872, 1880). He cites difficulties such as the divergence in performance among different boards, and the chronic under-participation of business stakeholders, which led to the marginalization of local boards by federal and provincial governments. Consistent with the neo-institutionalist analysis of federal and provincial labour market policy outlined above, Rutherford finds that “representation presents considerable difficulties for Ontario business”, whose “weak support for local boards is directly linked to both the failure of provincial and national scale stakeholder governance and to the fragmented nature of

34 Nonetheless, representational challenges for smaller jurisdictions, and difficulties reaching consensus and representational conflicts led to the disbanding of local boards in Lanark-Renfrew, Windsor-Sarnia, and Ottawa, the second largest board. The failure to sustain a local board in Ottawa has important implications for this study.

35 Rutherford’s (1996, 2001) arguments also reflect the ‘critique of neo-liberalism’ perspective; he argues that regionally based associational governance of labour markets in the form of local boards reflects a “hegemonic strategy” and the neo-liberal policy orientations of the state, which respond to and support the interests of capital.
business representation” that is manifested most acutely at the local level (ibid., 1885). The boards were also unable to fulfill their resource allocation function because it became too difficult to disburse funds on an objective basis to “friends or groups where they had some previous allegiance” and the effect on local training communities was divisive rather than collaborative (confidential interview). Local boards soon lost the ability to deliver, purchase or design training, and their role quickly shifted to a “strictly advisory” one. When the government realized that their expectations for the local boards were overly ambitious, “they essentially neutered them”, and “their function became one of trying to find their function” (confidential interview), and they have been operating in a climate of “malign neglect” ever since (ibid., 1882-1883).

The continued existence of Local Training Boards is, therefore, in many ways somewhat of a mystery. After having survived the purge of the Conservative Common Sense Revolution, they have subsequently been left to mostly to their own devices, without a clear policy directive about what they have been expected to accomplish; they have been “largely ignored” and “seen as irrelevant by senior bureaucrats and the minister” (confidential interview). In this climate of ‘malign neglect’, however, some interesting dynamics have emerged. For a period of roughly five years, the boards each struggled in isolation to define their place in their individual communities, without strong mandates and “without very much centralized guidance around common responsibilities” (confidential interview). What resulted – “the miracle of it” – is that five years later, “they have come around to organically frame really critical and useful roles in their community that have a very localized flavour and response” (confidential interview). Though there is variability in the capacity of local boards depending on the strength of their executive directors and volunteer members, several observers and participants commented on similar dynamics that one person described as:

this stunning development of respect and understanding between the different sectors represented around local board tables. I would say that, to a board, there was a level of understanding and respect and even camaraderie between business, labour, and equity groups. I have never seen labour people and business people more respectful of
Though many key informants alluded to the variable quality and capacity of local boards, few dismissed them as irrelevant or unimportant, and tended instead to emphasize their partnership facilitation roles, and their ability to act as ‘go-to’ places for local labour market information. In short, most identified local boards as some of the key actors driving local workforce development activities.

The Conceptual Space For Local Workforce Development Networks

In this context, it is worth re-visiting our brief discussion of neo-institutionalist approaches to workforce development outlined in Chapter 1. To re-iterate, neo-institutionalist approaches emphasize the interaction between ‘top-down’ and ‘bottom-up’ influences, and argue that macro-institutional contexts largely structure the range of possibilities for local governance efforts. In other words, a supportive macro-institutional policy framework is necessary for local governance efforts to succeed. This approach therefore, does leave conceptual room for the possibility of governance innovations at the local level. Recent analyses of local policymaking activities in other countries indicate that upper levels of government can, and do, design policy frameworks that encourage and sustain inclusive and innovative local governance arrangements (Sellers 2002; Savitch and Kantor 2002; Bradford 2003). In addition, while this chapter has traced analyses that emphasize the numerous macro-institutional constraints to coherent federal and provincial labour market policy in Canada, several of these studies do not entirely preclude the possibility of collaborative success at the local level.

In his analysis of the feasibility of collaborative governance experiments in Ontario, Bradford (1998) juxtaposes arguments about “the impossibility of associative reform in places like Ontario” against those that “proclaim not only their desirability but their viability”

36 This same interviewee commented that Ottawa was the only community that was unable to sustain a local boards, and the only community that “for whatever reason has not been able to develop a good solid umbrella approach to problem-solving”. 

Though only rather modest lessons can be drawn to date, Haddow (2002) suggests that flexible and smaller scale local associational mechanisms with limited objectives that draw on well-organized and motivated non-governmental interests may be more suitable for policy collaboration in the complex, multi-level Canadian context. As we have seen with the example of local boards, experiences with corporatist arrangements have been checkered, they have not been consistently negative and

The most positive outcomes have occurred where these have had a strongly associational flavour – relying on local and sector-specific collaboration and therefore not requiring strong and centralized class organizations, and having a flexible mix of business and labour interests. In these settings the twin state and societal barriers to success have had a diminished capacity to impede reform (Haddow 2002, 77).

In a similar vein, though Rutherford (2001) argues that the policy assumptions upon which local boards were based were inherently problematic, if supported, this form of inclusive and consensual stakeholder organization at the local level may have positive implications for local workforce development efforts in the future. Though social capital among diverse stakeholders is necessary but not sufficient to support the development of local labour market governance mechanisms and “simply adopting the appropriate ‘soft institutions’ of stakeholder governance is by itself highly unlikely to overcome the contradictions of capitalist labour markets”, the ability of these networks to develop consensus among nonbusiness stakeholders “may challenge managerial prerogatives and develop competitive advantage”, but “only in the long term” (ibid., p. 1888). This type of outcome takes time and requires the support that results from stable, long term government funding.

There is also evidence to suggest that these types of multilevel governance arrangements are emerging in different policy areas in Ontario, such as health and poverty reduction. Though there is clearly not a sea change toward partnerships and multilevel

37 This assertion provokes a fundamental theoretical debate about centralization and the role of the federal state in overseeing policy in order to safeguard national equity standards, an argument that goes to the heart of different conceptions about the role of the state in Canadian society. While any discussion of state-society linkages clearly has to address this dimension, it is argued here that we also need to explore the possibility of collaborative policy behaviour on the micro- or associational level.

38 For example, in response to fragmentation in the Ontario health care system, the Ontario Ministry of Health and Long-Term Care implemented the Local Health Integration Network (LHIN) initiative in 2006, marking a radical shift in the governance of health care policy in Ontario. Under the LHIN structure, 14 community-
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governance occurring, and most neo-institutionalist analyses of Canadian and Ontario labour market policy emphasize macro-institutional constraints to local workforce development efforts, talking about the “local” in the context of national or provincial policy is not as far-fetched as some might suggest.

Summary

In summary, this review suggests that liberal market economies like Canada are not auspicious settings for formal collaborative structures to design and implement active labour market policy at the federal and provincial level. Though all of the pieces reviewed referred to collaboration in some form, either between different levels of government, or between state and societal actors, the literature lacks conceptual clarity around what collaboration really means. Economists glibly assert that “stakeholder involvement” from firms, employees, and unions in the design and implementation of training policy is “advantageous” because it provides high quality, relevant information, and facilitates business-labour cooperation, and in cases where stakeholder “buy-in” is not feasible, governments “may simply [emphasis added] have to impose regulations on reluctant participants” (Gunderson 2002, 128). As this review of federal and provincial labour market policy indicates, however, this “simple” imposition of regulations is precisely the hard part; education and training are intrinsically conflictual and “disputes about training are typically an aspect of wider disputes about industrial relations, and about the direction of the economy” (Ashton and Green 1996, 37). At the same time, theoretical explanations of policy outcomes tend to focus on institutional and political impediments, and to treat cooperative outcomes as somewhat residual or accidental, arrived at by default rather than design (Tuohy 1992).

My research, however, is more concerned about the conceptual link between public policy and collective action in the form of workforce development networks at the local level, and how cities go about making choices about their economic and social development based not-for-profit corporations situated in Ontario regions work with local health providers and community members to plan, integrate and fund health care services at the local level, as well as to simplify access to the health care system for individuals. The LHIN structure is explicitly multilevel, and links, or “joins” up provincial strategic plans with local “integrated health service plans” which are developed through a formal “community engagement process”.

Based on text.
trajectories, than about active labour market policy itself. The underlying problem that provided the rationale for collaborative experimentation in the 1990s remains unresolved. More recent calls for policy innovation and collaboration between different levels of government and with non-state actors, suggest that the area remains fertile ground for this exploration. This review of federal and provincial institutional labour market policy only takes us part way in understanding these dynamics because it tends to accept the primacy of federal and provincial institutions in shaping collaborative outcomes, and to focus mostly on neo-institutionalist explanations to account for outcomes in state-driven collaborative experiments, reflecting a preoccupation with explanatory variables such as federalism and federal-provincial conflict, an adversarial industrial relations system, partisan politics, and bureaucratic resistance.

Analyses of the outcomes of “neocorporatist” experiments at the provincial level, however, suggest that economic and societal factors offer compelling explanations as well. While public policy analysis is often preoccupied with understanding the pragmatic exigencies of getting things done in a complex web of state institutions, the larger question of the state-society linkages required in all democratic systems, tend to lurk in the background. Haddow (2002) points out that there has been only “sporadic scholarly attention” to attempts to build formal links between state and society that permit and facilitate the direct participation of societal interests in policy formulation and implementation, and thereby deepen democracy by allowing citizens and social groups to influence the public policy agenda independent of legislative and executive institutions (68). Pointing to the short-lived collaborative experiments in Ontario, the literature on governance innovations in labour market policy in Canada emphasizes the structural and institutional barriers to collaborative mechanisms at national and provincial levels, and suggests that perhaps the local level offers more fertile territory.

39 As discussed in detail above, Bradford argues that although partisan politics were most responsible for both the implementation and termination of corporatist experiments in Ontario, it was state capacity (or lack thereof) in institutional design and partnership facilitation in conjunction with the power of business interests to resist full commitment to the process that most shaped the prospects for “robust associational innovation” (540). Sharpe and Haddow argue that the “hyper-plurality” driven by “rights talk” exhibited by social equity participants, clashed with business, labour, and government agendas and were just powerful enough to paralyze the process. Klassen (2000a, 2000b) suggests that subsequent governance innovations have been implemented to circumvent these limitations by concentrating policy-making power back into bureaucratic hands.
Labour market policy and government-sponsored training programs matter because, at the end of the day, it is about helping people support themselves financially, as well as about facilitating the larger process of economic adjustment to globalization. Collaboration matters, because despite deep disagreement about the content and direction of training, there is much consensus among academics, policymakers, and relevant social groups and service delivery organizations, that collaboration and cooperation in the design and delivery of training programs is essential. Yet as this review indicates, politics also matter. Understanding the obstacles as well as advantages – institutional, social, and economic – to collaboration between different groups with common interests is not only critical to the study of labour market and training policy itself, but also to understanding the larger links between public policy and collective action. Labour market policy operates at national and provincial levels, but labour markets are intrinsically local (Giloth 2004a, 2004b). To address existing theoretical gaps in the neo-institutionalist literature, a more robust understanding of how societal and economic factors interact with institutional ones to shape collaborative policy outcomes at the local level is needed. As such, evidence must be established that these forms of governance exist in practice, rather than just in theory. The next chapter establishes a theoretical framework based on core constructs in critique of neo-liberalism and urban governance literatures that allow us to examine the nature and extent of local governance arrangements aimed at the design and delivery of regionally sensitive and socially inclusive workforce development policies and programs in more detail.
Introduction

This study focuses on the central question of how local state and non-state actors interact in self-organizing networks to address issues of social and economic importance particular to their community. In order to examine these dynamics in more detail, we focus on patterns of local autonomy and social inclusion in local workforce development networks in three Ontario cities. Cities are seeking ways to support local economic competitiveness while managing the social inequalities and income gaps that are arising as a by-product of economic growth. Local workforce development efforts do not, however, occur in isolation, and must be understood within the particular sets of institutional opportunities and constraints that shape different policy outcomes in different places. As discussed in Chapter 2, much recent comparative empirical work on federal and provincial labour market policy emphasizes the ‘top-down’ institutional barriers that constrain not only national efforts to develop and coordinate coherent labour market policies within between, and across different levels of government, but also cities’ autonomy to develop and implement their own strategic workforce development plans. In contrast, the urban governance literature emphasizes ‘bottom-up’ local political agency and focuses on how governance dynamics unfold at the local level. This chapter provides an overview of key constructs in the
comparative urban governance literature in order to establish a framework to characterize variation in the institutionalization and social inclusion evident in the workforce development networks in each of the three cases.

Urban governance theory is proposed as a lens through which to examine how social and political dynamics at the local level shape cities’ efforts to come up with their own strategies to address their own social welfare and economic development needs. This study engages with the comparative urban governance literature because it affords valuable insights into both enduring and emerging puzzles of political behaviour at the local level. It allows a detailed examination of the shifting relations between state and society within and across different national and local institutional contexts. At the same time, it highlights the age-old interplay between explanations of structure and of agency in accounting for political outcomes. This project is taken up with the large theoretical question of how the tension between structure and agency plays out on the ground in cities in the context of current shifts in state-citizen relations and efforts to solve local policy problems. As discussed in detail in Chapter 1, the dependent variables for this study are the processes of local autonomy and social inclusion evident in local workforce development networks in each Ontario city under study. Part of the empirical challenge is to uncover if, how, and why these networks differ across urban contexts in Ontario. Comparing three cases in the same province allows for the control of macro-institutional variables such as federal and provincial labour market policy frameworks, industrial relations systems, and partisanship, among others. In this way, we can observe if there are variations in local workforce development networks, and if so, we can begin to examine why the variation exists, and how it manifests itself.

Workforce Development and Urban Governance

In theory, workforce development is relatively straightforward, but in practice, it is not so clear. There is a large disconnect between “the hardest to employ and the mainstream economy”, and “bridging these worlds is an enormous challenge” (Giloth 2004b, 20). Workforce development “becomes complex when linked to economic development goals, particularly regional economic growth and competitiveness” (Chapple
Local workforce development strategies involve formalizing collaborative relationships between different actors and intermediaries – governments, community-based organizations, educational institutions, employers, and unions – to facilitate linkages between job seekers and employers. Workforce development issues, therefore, are intrinsically local governance issues” because workforce decisions must be made by “interdependent, complex, loosely-linked actors and institutions with shared purposes but no shared authority" which underscores “how problematic cooperation and collaboration among these actors and institutions will be” (Clarke 2004, 30). Workforce development is a political process, and a governance framework underscores the point that how issues are formulated and implemented “shapes the effectiveness and sustainability of these efforts” at the local level (ibid., 30).

In direct contrast to arguments that emphasize macro-institutional constraints to innovative partnership and collaborative arrangements at the city-region level, the literature that links local workforce development and local governance takes a decidedly ‘bottom-up’ approach that emphasizes local political agency over structural constraints. While acknowledging the interplay between federal and local institutional contexts, researchers and practitioners alike argue that local “problem-solving is highly influenced but not completely constrained by federal policies, economic competition, and institutional arrangements” (Giloth 2004b, 17). ‘Top down’ federal reforms to workforce development systems reflects a “fragmented hodgepodge” of second chance training systems that have not solved the problem of co-incident unemployment and labour shortages, and that “typically fail to provide a leg up the economic ladder for low-wage, low-skilled, frequently minority workers (Giloth 2004a, 1). ‘One size fits all’ or ‘cookie cutter’ approaches that seek to implement standardized policies and programs across a diverse array of local political economies lack the regional sensitivity and flexibility to meet local workforce development needs. In response, some communities have taken an ‘entrepreneurial’ approach and have sought to develop their own workforce development strategies.

Clarke and Gaile (1998) observe that although cities have limited powers to affect policy and economic change, “a growing number of cities…explored the connections between economic and human capital development in the 1990s”, a trend which has continued to gain momentum throughout the current decade. Workforce intermediaries and
partnership arrangements “have frequently emerged and grown in spite of public workforce systems” and it was precisely “the uneven performance of the public workforce system and institutions…that [gave] impetus to their formation” (Giloth 2004a, 17, 5). Communities that have developed their own employment systems are reported to have a “richer and more complex network of services”, whereas communities where “broad community-based initiatives were not implemented, the impact of federal reforms has led to less inclusive and less efficient arrangements” (Melendez 2004, 2).

As a conceptual approach, urban governance theories offer “greater analytical purchase than alternative models of explanation in urban politics” because they emphasizes “intergovernmental, inter-agency and public-private sector coalition-building” (Harding 1999, 690). Broadly speaking, urban governance is defined as “the pursuit of collective goals through an inclusive strategy of resource mobilization” (Pierre 2005, 449). Urban governance theories acknowledge the interaction of the local with its particular macro-institutional context, and views “urban governance as a multi-level activity” (Kearns and Paddison 2000). In addition, urban governance goes beyond regime theory’s emphasis on coalition-building for economic development in the US context, and allows us to examine network dynamics in other policy areas and in other national jurisdictions (Pierre 1999, 2005; John and Cole 2000; Harding 1999).

Urban governance theory approaches questions of local political agency empirically, and draws attention to how ideas, interests, and institutions intersect at the local level; it allows us to focus on how local networks interact. As discussed in Chapter 1, coordinating the interests and efforts of local labour market stakeholders is precisely the hard part. Policymakers know much about what combinations of training, work supports, industry targeting, and human service supports deliver results for both employers and workers, and by itself, local workforce development is “not a complicated policy problem” (Chapple 2005, iii). There is however, “a political problem” – a collective action problem – that requires active commitment from all labour market partners. Not just about public investments of programs and incentives, “workforce development is a part of regional labor markets in which business investments and behaviours are critical for the success of all workers” (Giloth 2004a, 8). The “active participation of diverse interests in collaborative activities” means that “workforce development issues are intrinsically governance issues”, and
decisions must be made by “interdependent, complex, loosely-linked actors and institutions with shared purposes but no shared authority” (Clarke 2004, 30-31). At the same time, workforce development is not only a governance problem, it is a local governance problem, and “without attention to local politics”, any attempt at policy reform “will ultimately fail” (Giloth 2004a, 2).

One of the more insightful comparative urban governance studies to emerge in recent years that captures local workforce development dynamics with a broader lens, is The Work of Cities (Clarke and Gaile 1998). Taking an urban governance approach, Clarke and Gaile emphasize local political choice as the key explanatory variable that accounts for variation in local governance arrangements and political outcomes. They argue that while cities vary in their experiences with globalization and economic restructuring, “even those facing similar difficulties make different choices about how to respond to these changes” (1998, 2). As a result, rather than being “impotent and irrelevant, localities are the political arenas for the new work of cities” (ibid., 5). Their approach is directly applicable to this analysis of local workforce development, because they focus their analysis on cities’ human capital formation activities as “the linchpin in [the] globalization picture” (p. 6.)

Clarke and Gaile (1998) make the link between cities and workforce development explicit, and predict that as cities face ever increasing pressures to adjust to economic and technological change, they will focus more policy attention to the integration of human capital and economic development issues. Instead of marginalizing low-skilled and poorly educated as a social cost, however, Clarke and Gaile argue that these groups represent “questions of unmet potential” and the “new work of cities” is grounded in “the importance of seeing the unmet human capital potential in local citizens and the necessity of encouraging the social capital that will make investments in human capital effective in both economic and citizenship terms” (p. 12, emphasis added). From an urban governance perspective, cities must make conscious political choices about how to manage these dynamics, and “at the heart of these institutional shifts is an interest in finding local institutional arrangements that bridge market and democratic values” (ibid., 8). Critical to these new institutional arrangements is a “re-invention” of local citizenship and social capital – “the associational ties and norms binding people together” – without which, local development efforts will be undermined (p. 10). Their interest lies, therefore, in the locally-driven institutional design
processes that “structure the power relations of both state and market interests, sketch out the possibilities for participation and representation in local economic development policymaking, and shape the goals, preferences and prospects of contending groups” because these will influence “how effectively a city will anticipate and address its development needs and local citizenship issues” (p. 107).

In this sense, much of the more influential research on local workforce development emphasizes the notions of civic capacity and leadership, because “the political framework in which such issues are formulated and implemented shapes the effectiveness and the sustainability of these efforts” (Clarke 2004, 30). Theories of urban governance examine the development of formal and informal arrangements at the city-region level that support stable governing coalitions which “bridge state and market, city hall and civic leaders, and take on various forms under different economic and policy conditions”, and how workforce development institutions become “enmeshed in a broader civic context of relationships, networks and leadership” (Giloth 2004a, 16). It draws analytical attention to notions of civic leadership, collation formation, and ‘boundary spanners’ who seek to form durable alliances between different organizations of societal interests.

In summary, using a broader urban governance lens to study workforce development networks draws an analytical focus to several interrelated and complex dynamics. From a political economy perspective, it allows a consideration of broader influences on local decision making such as the role of business, organized labour, voluntary and community-based organizations, and intergovernmental relations. The involvement of these new actors in the local political process, the subsequent blurring of public-private boundaries and the perceived fragmentation of local governmental authority has focused research on the dynamics of formally and informally constituted local governance networks. Yet business commitment to and investment in training their own workers, let alone participation in local labor market planning, is notoriously difficult to establish let alone sustain (Culpepper 2003; Saunders 2008). At the same time, the plethora of community-based actors and organizations that administer local labor market programs constitute their own bureaucracy that can be more concerned with perpetuating their own survival and deflecting change; “long-term change is [often] constrained by competing problem definitions and agendas and competition for resources” (Giloth 2004a, 23). Ultimately, however, workforce development
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is not only a collective action – or governance - problem, it is a local collective action problem, and “without attention to local politics”, any attempt at policy reform “will ultimately fail” (Giloth 2004a, 2).

**Theories of Urban Governance**

Theories of urban governance examine the development of formal and informal arrangements at the city-region level that support stable governing coalitions which “bridge state and market, city hall and civic leaders, and take on various forms under different economic and policy conditions”, and how governance institutions become “enmeshed in a broader civic context of relationships, networks and leadership” (Giloth 2004a, 16). This section will briefly trace the evolution of recent approaches to urban governance. This allows us to isolate factors that can be used to characterize variation in the degrees of institutionalization and social inclusion in each of the three cases under examination.

**Urban Regime Theory**

Urban politics is one of the areas where the shift from government to governance is most evident. The traditional focus on city government and representative politics in urban political studies has broadened in recent years, and a new literature on urban governance attempts to capture the dynamics of the shift to new forms of governance involving formal and informal collaboration between state and non-state actors at the local level. Because managing complexity in cities is beyond the control of any one group, the capacity to act, or ‘get things done’, requires governments to “blend their capacities” with non-governmental actors to form some sort of stable arrangement for making governing decisions. In this context, one of the most critical insights of new approaches to urban governance is the shift in the conception of power from one of social control and top-down coercion or “power over”, to one of social production involving interactive collaboration, or “power to” (Stone 1989, 2005). Stoker (1998) defines urban politics as involving both conflict and cooperation, and the resolution of issues through collective decision-making “that protect or undermine citizen well-being in communities” (119). Citing Stone’s work on urban regimes, he observes that urban politics is often shaped by informal but stable groups of elite public and private sectors actors who “gain a capacity to act by blending their resources, skills and
purposes into a long-term coalition”, or “regime” that has a sustained role in local policymaking (Stone 1989; Stoker 1998, 23). These new types of public/private sector interaction at the local level take a wide range of forms that vary across cities, but all focus on the multiple pressures on local governments to simultaneously provide leadership, build partnerships, regulate its social and ecological environment, and promote economic opportunity.

Most discussions of urban governance begin with Stone’s urban regime theory, the dominant paradigm for analyzing the dynamics of urban policy and politics since the late 1980s (Mossberger and Stoker 2001; Pierre 1999, 2005; Davies 2005). Regime theory was one of the first arguments to emphasize the notion of local political agency, and Stone’s famous study of the formation of a durable cross-sectoral and cross-racial governing coalition in Atlanta sparked a great deal of scholarly interest in the question of how local communities go about creating the policy capacity to solve their own problems. Urban regimes are broadly defined as “the informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions” (Stone 1989, 6). Though urban regime analysis traces it roots to political economy and “the transparent reality that government actions inevitably intertwine with the workings of the economy”, it departs from traditional institutional and pluralist analyses that assume the adequacy of governmental authority to make and deliver policy, and structuralist assumptions that economic forces determine policy. Instead, local actors mediate the external pressures of globalization and economic change by building informal, collaborative institutional arrangements that provide the capacity to govern and make policy relevant to local needs (Stone 2004, 9). This view provides a new understanding of power relations in contemporary urban settings, where power in local governing arrangements between public and private actors is fragmented, diffuse and relational, rather than authoritative and coercive. The analytical focus therefore, is on “the internal dynamics of coalition building, on ‘civic cooperation’, or informal modes of coordination across institutional boundaries” (Mossberger and Stoker 2001, 812).

Mossberger and Stoker (2001) clarify the core elements of urban regime theory, the most salient of which are summarized here. First, regimes are informal but stable groups, or “governing coalitions” with “access to institutional resources” that enable them to “have a
sustained role in making governing decisions” (Stone 1989, 4, cited in Mossberger and Stoker 2001, 813). Collaboration occurs through the combined efforts of formal institutions and informal networks – or public-private cooperation – in pursuit of a common policy agenda, thereby bridging the divide between “popular control of government and private control of economic resources” (Mossberger and Stoker 2001, 813). Beyond local government and business actors, participants are drawn from any number of community-based organizations. A second definitional characteristic of urban regimes is their relative stability and durability. Not just temporary, issue-focused partnerships or coalitions, they are long lasting arrangements that can withstand electoral turnover and span several local government administrations. In this context, cooperation is not taken as given and has to be achieved. Not only do regimes not exist in all cities, current research indicates that they are in fact, quite rare, and that failures are much more numerous than successes. While collaborative arrangements in the form of informal networks to address urban problems may exist, “not every urban phenomenon needs to fit under the urban regime framework” (Mossberger and Stoker 2001, 830). Finally, distinctive policy agendas, influenced by participants in the governing coalition and their respective resources, are clearly delineated, identifiable, and feasible. These core elements constitute a useful framework for the analysis of public-private interactions and take us a certain distance in characterizing observable governance dynamics that go beyond simple issue networks and interorganizational collaboration.

Urban regime theory continues to make a durable and substantial contribution to the understanding of urban governance dynamics because its emphasis on coalition-building between governmental and non-governmental actors provides “a way of examining how large forces for change play out concretely” on local levels, and has “helped encourage the shift away from a narrow focus on the formal institutions of elected government to an analysis that puts at its heart the social and economic setting in which governments operate” (Mossberger and Stoker 2001, 830). While the influence of Stone’s urban regime theory continues to resonate, more recent work seeks to broaden its theoretical reach by engaging with comparisons between cities in the same national context, cities in different national

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40 The relationship between electoral turnover and regime change is not clear and “whether electoral turnover represents regime change is an empirical question” (Mossberger and Stoker 2001, 813).
contexts, and in different policy areas. From a public policy perspective, while regime theory may help describe city-wide coalitions that form around discernible political agendas, it does not necessarily account for variation among policy sectors within and between cities. Most analyses of urban regimes focus on coalitions that develop around pro-growth economic development strategies, which are typically easier to affect because of the relative narrowness of political agendas and limited range of participants, most often local government officials and business elites in liberal market-type economies (Clark and Gaile 1998; Pierre 1999; Gissendammer 2003). As Davies observes, the traditional focus of regime theory on economic development “may be too narrow”, and it accounts less well for other community development dynamics in broader coalitions that seek to bridge economic and social imperatives and involve a more diverse array of participants, or in different policy areas such as education reform (Davies 2003, 266; John and Cole 2000; Clarke 2004).

A related limitation is that regime theory does not apply well to the participation of non-governmental actors apart from business (Pierre 1999, Mossberger and Stoker 2001). Stone emphasizes the active and sustained participation of business elites in regime coalitions, and while he acknowledges the participation of non-business and non-governmental “community-based actors”, their participation tends to be treated as somewhat residual. Regime theory, therefore, accounts less well for community coalition formation in different policy sectors, such as workforce development, where business participation has been highly uneven and more difficult to sustain (Rutherford 2001). The purpose of the current study is to unpack the governance dynamics in cities surrounding the efforts of governmental and non-governmental actors to develop the skills and employability of their workforces. For theories to travel across geographical jurisdictions and policy sectors, they need to be sufficiently abstract not to be associated with only one type. This necessitates the use of theoretical models that are able to capture community dynamics and the participation

41 Because urban regime analysis was developed inductively through single case studies of American cities, and has not been the subject of much comparison with urban dynamics both within the US and with other industrialized countries in Europe, Canada and elsewhere, most critiques argue that it does not provide a consistent framework for comparison across political, economic, and institutional contexts (Pierre 2005; Davies 2005; Harding 1999). Others see that the tendency to focus on the political agency of individual cities and the internal dynamics of coalition-building precludes an analysis of how changes in the larger political and institutional environment affect regime development and formation (Mossberger and Stoker 2001; Gissendammer 2003).
of key actors in policy sectors other than economic development. Regime theory insists on the participation of business in governing coalitions, focuses on agenda formation around economic development issues, does not deal directly with the participation of non-governmental and non-business community-based actors, and tends to underplay the macro-institutional context and questions of local autonomy. The analytical framework for local governance institutions, therefore, needs to be expanded beyond regime theory, and for this, we draw insights from the larger literature on urban governance.

Expanding the Framework to Facilitate Comparison: Broader Theories of Urban Governance

Urban governance is still a pre-theoretical construct, and Pierre asserts that it requires further empirical comparative research within and between national institutional contexts that takes “the analysis one step further toward scientific explanation” of how and why the patterns of urban governance differ across urban and national contexts (Pierre 2005, 449; Lowndes 2001). Because a single case methodology, coupled with ambiguity about core constructs have made urban regime theory difficult to apply in settings outside the US, scholars of contemporary urban dynamics seek to develop the conceptual clarity and methodologies required to facilitate comparative empirical research that can explain similarity and variation in urban governance arrangements and outcomes. The comparative urban governance literature seeks to broaden the range of variables that explain variation in how public and private actors collaborate in generating new policies at the urban level in cities within and across nation-states and policy sectors. Pierre (2005) argues that “one should conceptualize objects of study less in terms of urban regimes and more in terms of urban governance, because this framework is much less tied to a particular national context” (p. 450). This section provides a brief overview of the current comparative urban governance literature in order to identify independent variables that help to explain the formation of urban governance structures. This literature tends to draw more explicitly on

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42 Stone does, however, depart somewhat from regime theory in his analysis of local education policy reform in several US cities, and uses instead the construct of performance regimes to capture governance dynamics in this separate but related policy area. The idea of performance regimes will be taken up later in the more detailed discussion of workforce development networks.
urban governance dynamics in European settings, especially the UK (Davies 2003; Geddes 2005, Lowndes 2001), and to a lesser extent, France (Le Gales 2001; John and Cole 2000).

Urban governance theories depart from regime theory in several ways critical to this analysis. First, urban governance uses a wider comparative institutional lens. While regime theory focuses on the micro-institution of “governing coalitions” and emphasizes local political agency, urban governance addresses local governance dynamics more explicitly within their macro-institutional contexts, and integrates both horizontal and vertical ties into the analysis (DiGaetano and Strom 2003). While it also assumes a large measure of local political choice, it asks key questions about the extent to which “urban policy objectives [are] shaped by those at higher institutional levels and by local political, social, and economic interests” and the extent to which “these institutional and normative variables explain differences in the urban governance process” (Pierre 2005, 450; Lowndes 2001). Second, the urban governance framework is less tied to particular national contexts, and encompasses both institutions and actors in urban politics. A broader urban governance perspective “makes no prejudgment about the cast of actors involved in shaping the urban political agenda, nor does it make any assumptions about the normative direction and objectives of the ‘governing coalition’” (2005, 452). For example, because the nature of the government-business relationships is different in the European context, and local policy tends to be focused more on job creation than fiscal concerns, business participation tends to be treated more as a variable than as a necessary pre-condition (Mossberger and Stoker 2001). Third, while local economic development policy remains a preoccupation in many comparative urban governance studies, others have expanded the analysis to include various other policy areas, such as education policy (Geddes 2005; John and Cole 2000), and employment policy (Considine 2001). As a result, there is analytical space for the consideration of other constellations of key state and non-state actors, such as community-based organizations, and a de-emphasis on the primacy of business. At the same time, there is also analytical space for the factoring measures of social inclusion into the discussion. Finally, the urban governance literature is intrinsically comparative, and seeks to theory-build by expanding comparisons within and across different national settings and policy areas. Pierre (1999, 2000, 2005), one of the more outspoken proponents of comparative urban governance research, emphasizes the role of institutions in urban politics, and the macro-
level institutional context as well as the micro- or community level particularities that shape governance dynamics at the local level.

Variation in urban governance patterns is evident not only between cities in different national contexts, but also between cities within the same national context, and within cities themselves. Structural, cultural, and rational actor-based analyses are, however, limited in their ability to account for this variation. For example, while Kantor, Savitch and Haddock (1997) account for variation through differences in local political economies, DiGaetano and Klemanski (1999) find evidence that cities with similar bargaining contexts develop different patterns of governance. While regulationist critiques of neo-liberalism emphasize shifts to entrepreneurialism in urban governance (Geddes 2005; Considine 2001; Brenner 2004; Brenner and Theodore 2002; Peck and Tickell 2002), other studies have shown that some cities have chosen to adopt “decidedly nonentrepreneurial modes of governance” (DiGaetano and Strom 2003, 359; DiGaetano and Klemanski 1999; Kantor, Savitch and Haddock 1997; Clarke and Gaile 1998). Likewise, while comparative analyses of political culture can explain how historically and socially embedded value systems perpetuate certain modes of governance, they account less well for instances of structural change (Reese and Rosenfeld 2001). Finally, rational actor models argue that governance outcomes reflect the interest calculations of political actors who work to mobilize disparate constituencies around a common purpose (Dowding 2001), but critics argue that this model does not apply to Western European nations with strong state traditions that can meet policy objectives without a reliance on alliances with business (Davies 2003; Harding 1999; Keating 1993).

Recent applications of neo-institutionalist approaches to urban governance isolate political choice as a key variable that accounts for variation in urban governance structures and outcomes (Pierre 1999, 2005; DiGaetano and Strom 2003; DiGaetano and Klemanski 1999; Lowndes 2001; Lowndes and Sullivan 2004; Clarke and Gaile 1998). These theorists argue that norms and values embedded in local institutions are closely linked to political objectives and policy outcomes. As Pierre (1999) argues, “the issue about the existence of political choice is important because governance is precisely about making choices. Such choices refer not only to policy choice but also to “what development strategy to pursue and
the selection of network partners” (p. 383). The question of which political objectives shape urban governance, however, is an empirical one. An analytical emphasis on internal debates over the goals of urban governance gives focus to the empirical questions that are the subject of this study.

The social inclusion question becomes relevant at this point because it highlights how the processes of conflict and cooperation play out in individual cities. The social inclusion question in this study asks if local governance structures and processes include actors advocating a social welfare agenda, or if the political agenda is dominated by economic development considerations at the expense of social welfare considerations. Different governance arrangements favour different political objectives, organizational strategies and key participants, and conflict over which structures to adopt is more likely than consensus. Agreement over political objectives among different actors varies, and “there are contending views even within cities about the purpose and goals of the city’s policies” because “different segments of the city and city administration tend to embrace different values” (1999, 372). When the different values, priorities and political objectives of different segments of the local governance structure clash, such as those of economic development and social welfare, the interorganizational tension leads to “governance gaps”, and public problems remain unsolved. For urban governance theorists, however, local political choice remains a powerful explanatory variable, because locales within the same national institutional context and political culture do differ in urban governance structures. Cities choose different governance structures based on the inclusion or exclusion of different actors, and therefore, can choose to “sustain political values above and beyond urban partisan division” (ibid., 390).

According to these recent theories of comparative urban governance, political choices about local governance structures are shaped by the values and objectives of those who participate in the governance process, which introduces the variable of civic leadership. The question of who governs is as important as the political objectives they pursue. DiGaetano and Strom (2003) emphasize that while structures such as local political economy, and international, national and regional governments establish the context of a city’s politics, accounting for differences between structurally similar urban contexts involves an analysis of cultural factors, and explaining change within cities “requires an understanding
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of agency” (p. 362). Local political organizations, including partnerships and coalitions do not function independently, but rather are embedded in an “institutional milieu”, where “the structural context of economic and state structuring and restructuring, political culture, and political actors intersect in the process of urban governance” (ibid., 363). In their comparative analysis of local governance in Britain, France, Germany and the U.S., they find that public-private partnerships have emerged as a tool of governance in all four countries, but that there is “enormous variation in partnership arrangements and politics” across and within all four countries, indicating that political institutions do “mediate the impact of structural forces” (p. 387). They attribute this variation to choices made by local leaders, some of whom actively resisted the implementation of partnerships, and others who actively pursued them.44 The process of building ‘governing coalitions’ depends on “political entrepreneurs” who “attempt to bridge the structural division of labour between state and market in urban politics” and bring together government officials and civic leaders in order to “break down intersectoral barriers of mistrust” in order to “formulate and implement local policies that will address the challenges of governing cities” (p. 376). True “boundary spanners” who can mobilize a vast array of disparate actors into a stable coalition, however, are rare, and most typically, “alliances of politicians, agency officials, and business leaders or development interests generally form around policy agendas of economic development and urban revitalization”, whereas “coalitions of government officials and community activists, in turn, unite around neighbourhood regeneration or social service policy” (ibid., 371).

In the attempt to organize the large variation in governance arrangements uncovered by recent comparative research, several theorists have outlined typologies that attempt to characterize different ‘models’ or ‘modes’ of urban governance (DiGaetano and Strom 2003; John and Cole 2000; Pierre 1999). Models of governance are broadly defined as “the informal political relationships that determine how cities are governed” (DiGaetano and Strom 2003, 365). These typologies are pre-theoretical and reflect ‘ideal types’ not

44 A finding of particular interest is that countries with strong state traditions, like France and Germany, tended to avoid partnerships in favour of managerialism (Le Gales), whereas partnerships “flourished” in countries with weaker state traditions, with business leaders often playing “prominent roles in local policy making” (p. 388). Likewise Geddes (2005) and Considine (2001) argue that that local governance based on public-private partnerships are consistent with liberal welfare regimes.
empirically associated with particular urban governance structures in different countries, cities, or policy sectors but rather intended to orient comparative research. For example, Pierre (1999) argues that different ‘models of urban governance’ reflect different political orientations not only between, but also within different cities about “the purpose and goals of the city’s policies”, so the question of which political objectives guide urban governance is an inherently empirical one (p. 374). He characterizes modes of governance according to different sets of norms, ideas, values and practices, which reflect “different views of local democracy, the role of local government in local economic development, different styles of distributive policies, and different conceptions of the role of the state in relationship to civil society” and produce different urban policy choices and outcomes (Pierre 1999, 374). He identifies four ‘ideal types’ of urban governance – managerial, corporatist, welfare, and pro-growth – each of which offer important insights into the collective political choices made by local actors regarding questions of social inclusion in different urban settings.

Of Pierre’s four models of urban governance, pro-growth governance is “by far the most familiar abstraction of urban politics”, especially in the North American context (ibid., p. 383). For cities that choose to actively engage in local economic development, “politics matter” in relation to economic development strategy and the structuring of local governance. Characterized by close public-private interaction “pro-growth governance is the structuring of concerted, public-private actions to boost the local economy”, pro-growth

45 These models differ according to four key variables: the composition of key participants; the overarching political objectives that characterize the governance arrangements; the main instruments used to attain these objectives; and the most common outcomes. **Managerial governance** refers to recent trends in public administration often captured under the term “the new public management” (NPM) where local authorities and elected officials are accorded a minimal governance role, and are dependent upon professional management operating both within and outside their organizations, often at higher levels of government. **Corporatist governance** is typical of small, industrialized democracies of Western Europe, characterized by strong statist traditions, large public sectors, strong redistributive policies and welfare service provision, a high degree of political involvement, and voluntary associations. Its main objective is distributive and representational, particularly at the local level. **Welfare governance** is most evident in old industrial cities that have faced economic restructuring and have not been successful in redefining the base of their local economies, such as the American ‘rustbelt’ cities, and some industrial regions in Western Europe. Due to the high unemployment that results from limited economic growth, these cities are dependent on central government spending, and the urban political leadership relies heavily on government urban compensation programs. From a coalitional perspective, the main participants are networks of local government officials and bureaucrats from higher levels of government, who tend to be anti-capitalist, and seek to secure the stable flow of state funds to sustain the local economy.
governance networks are internationally exclusive, and collaboration rests on shared interests in economic growth between city hall and the downtown business elite (ibid., 384, Molotch 1976 cited in Pierre 1999). Because “local political choice regarding the structuring of progrowth governance can refer to the degree of inclusion or exclusion of different actors, the choice between different short-term and long-term objectives, the nature of the city’s relationship with higher levels of government”, from a representational perspective, “this is the least participatory of the four governance models” (ibid., p. 384). Progrowth governance elicits most clearly the politics of local economic restructuring; mass involvement could never be an option simply because such participation would immediately politicize the progrowth strategy by bringing in competing local government spending options such as neighbourhood redevelopment and other distributive measures (Swanstrom 1985 cited in Pierre 1999). Although progrowth politics has very few opponents…it tends to have even fewer supporters, apart from the public and private elites themselves…Restrictive participation is necessary to prevent distributive objectives to be infused in the governance (p. 384).

In summary, these typologies are ideal types, but different elements of each are manifested differently in different national contexts, and in different cities in the same national context. Perhaps most critically however, conflicts over different political goals and approaches to governance are often evident within cities, between different segments of the city administration. In urban politics, “local authorities enter governance with an agenda and get involved in governance to attain these goals”, and Pierre predicts that “conflict within the city administrative apparatus should only be expected” (p. 388). While cities attempt to moderate the impact of this internal institutional diversity with multi-organizational and fragmented structures that allow different segments of the organization to develop different approaches to governance, different governance models “favor different political objectives, organizational strategies, and key participants”, so “consensus on which model to pursue appears to be less likely than conflict” (ibid., 388). Because progrowth and managerial models of governance are purpose-driven and focus exclusively on outcomes, “process is of little interest” and they instead tend to “draw on entrepreneurial zeal and skills that tend to bypass due process” (p. 389). In contrast, welfare and corporatist models emphasize entitlements and representation and are “clearly process [rather than outcome] driven” (p. 389).
Recall from the earlier discussion that the objective of expanding regime theories to capture a broader conception of urban governance is to facilitate comparison across a broader range of national institutional contexts and to expand the analysis from a singular focus on local economic development policy to capture a broader range of local policy dynamics and actors, while retaining the emphasis on local political choice and the internal politics of coalition-building. Pierre’s framework makes a useful contribution to orienting theoretical discussions about variation in urban governance arrangements in different national contexts. It also underscores the political conflict over values and the direction of local economic development endemic to urban politics. While he highlights conflict over local political choices in different urban contexts, however, his typology is too blunt to capture the nuance of exactly how these dynamics play out within individual cities. In other words, what are the constellations of actors and issues involved in urban governance and how do they differ across cities within the same national context and within cities themselves? In addition, while he alludes to other policy dynamics, such as social service delivery, and other actors, such as bureaucrats, operating at other levels of government, the framework tends to focus on local economic development dynamics, and is less able to capture activities that involve non-governmental community-based organizations. While Pierre’s model helps capture some of the variation between cities, we need a more nuanced framework that can capture variation within and between cities in other policy areas and involving other actors, for this study of local workforce development networks in Ontario. The objective of this chapter has been to establish theoretical linkages between urban governance and local workforce development in order to guide the empirical analysis of workforce development networks in Ontario. The following section outlines the analytical framework that will be used to analyze the empirical data that emerges.
Measuring Variation in Local Workforce Development Networks: Local Autonomy and Social Inclusion in Workforce Development

Measuring Local Autonomy

As outlined in Chapter 1, the analysis of the local autonomy question proceeds in two stages. The first hypothesis predicts that there will be evidence of locally-driven workforce development activities in each of the three cities. If we find evidence of workforce development networks, this suggests that there is some initial indication of local autonomy. The second hypothesis predicts that these networks will vary in the form and extent of institutionalization of local workforce development activities and networks. Variation in these networks is another indication of local autonomy. Variation, by itself, however, is not a sufficient indicator; we need to characterize the variation in order to understand how workforce development networks are shaped by local dynamics. Drawing indicators from the urban governance literature reviewed in detail above, variation in the institutionalization of workforce development networks in each of the three cities will be measured by the following criteria:

**Feasible Agenda (Stone 1989, 2005; Mossberger and Stoker 2001)**

Urban governance initiatives require a clearly identifiable purpose around which coalitions of government and societal interests can organize. For the purposes of this research, the primary indicator of a feasible agenda is defined as the existence of a formally articulated community-wide strategic workforce development plan.

**Governance Mechanism**

Initiatives also require some form of governance mechanism to give shape to and facilitate patterns of interaction between governmental and community-based actors. In this study, a governance mechanism refers to an institutionalized workforce development network that meets regularly to discuss a formally articulated workforce development strategy, and is formally housed within a local community-based organization.
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Role of Local Government (Stone 1989, 2005)

The direct or indirect participation of local governments lends important political support and legitimacy to urban governance initiatives. This can include public support from the mayor and council, and/or financial support for network activities. This study uses two primary indicators of local government support: public support from the mayor for the formally articulated workforce development strategy; and funding from the municipality to support the day-to-day work of the network.


Network membership refers to the composition of individuals and groups that participate in a network. This research has found that societal interests within communities self-organize into ‘constituent networks’. Self-organizing networks of diverse actors do not just spontaneously occur, but require mechanisms to facilitate their establishment. “Constituent networks” are defined here as local sub-networks that organize and represent sub-sets of local actors or ‘constituent groups’ who share common goals and objectives. This indicator refers to the constituent networks involved in workforce development activities in each community.

Network Structure (John and Cole 2000; Clark and Gaile 1998)

Network structure shapes the information-sharing and decision-making processes within urban governance networks. Networks may be formal or informal, and closed or open and diffuse. A small number of key people may dominate decision-making, or discourse and decision making may be shared with a wider group. Formal networks are more structured than informal ones. Open networks encourage the participation of any community-based actors who wish to join, whereas closed networks seek to restrict membership.

Intergovernmental Relations

Urban governance initiatives are shaped not only by the patterns of interaction between local governmental and organized societal interests, but also by patterns of interactions between different levels of government. This variable captures the level of engagement in local workforce development efforts from local federal and provincial
politicians, local representatives of federal and provincial governments, and non-local federal and provincial government representatives.

**Measuring Social Inclusion**

The third hypothesis in the study predicts that there will also be variation in the degree of social inclusiveness in each of the three networks. Variation in the degree of social inclusion in the workforce development activities of each community will be characterized according to the organization of societal interests involved in workforce development, and the patterns of interaction between them in each of the three cities, and will be measured according to the following criteria:


Bottom-up urban governance initiatives are initiated, driven and sustained by societal interests at the local level. This study is interested in the organization of societal interests, and how the patterns of interaction between them shape urban governance efforts. Drawing from the definition of self-organizing constituent networks outlined above, this study examines how the patterns of interaction between economic development and social welfare interests shape local workforce development efforts. This indicator captures the level of organization of economic development and social welfare interests in each community.

**Civic Capital (Wolfe and Nelles 2008; Nelles 2009; Safford 2009)**

Civic capital refers to the constellation of formal and informal community-based networks that organize based on a “shared identity, expectations or goals and tied to a specific region or locality” (Nelles 2009, 31). It emphasizes the critical role of local leaders or “civic entrepreneurs” who champion agendas and keep them salient to community decision-makers. They also act as ‘boundary spanners’ who seek to build linkages between different members of a community to build and formalize coalitions based on shared identities and interests, and most importantly to “bridge the gap between communities and between local government and community actors, and between regional political jurisdictions” (Nelles 2009, 32). In this study, civic capital is measured by the presence of local leaders who champion the workforce development agenda, and the presence of
boundary spanners who seek to build linkages between economic development and social welfare interests.

**Active Intermediaries (Giloth 2004b)**

Workforce intermediaries (WIs) are central to the process of matching jobseekers with local employers. They can take a variety of forms and can be single actors, single organizations, or groups of actors and organizations. The critical point is that they act as intermediaries who actively contribute to the matching up of the supply and demand sides of the local labour market. Among others, the two most critical intermediaries in the context of workforce development in Ontario are local community colleges and local training boards.

**Dominant Discourse (Pierre 1999, 2005; Clarke and Gaile 1998; Rutherford 2001)**

There is a large literature on notions of community power and how some actors dominate urban political agendas at the expense of others. While this study does not seek to directly engage with this literature, it does draw key insights about how different groups dominate local decision-making by shaping local dominant discourses. Through its examination of the relative impact of different constituent groups on local workforce development agendas, this study makes observations about dominant community discourses.


Network linkages refer to the patterns of interaction between different constituent groups involved in local workforce development. In this study, it captures the degree of interaction between business and social welfare constituent groups through the degree of cross-membership of individuals across constituent groups.

**Network Configuration**

Network configuration is a summary observation to capture the overall patterns of interaction between organized economic development and social welfare interests in each community.
Capturing Network Capacity

Finally, though it is beyond the scope of this study to go into detail, we will draw some preliminary conclusions about the capacity of workforce development networks to affect change. The degree of local autonomy and social inclusion in each community will also be examined by using Clark and Gaile’s (1998) ‘institutional framework typology’ to capture the patterns of interaction between local governmental and social forces in the area of workforce development within each city. Clarke and Gaile (1998) refer to local governance arrangements as “context-structuring processes” and “decision arenas” that reduce uncertainty and minimize transaction costs so that “relatively stable bargaining and negotiation” among different actors with different agendas can take place (p. 108). They develop a framework typology along two core dimensions: whether market or democratic “institutional logics” dominate decision arenas; and whether the elements of the framework are tightly or loosely coupled, each of which “focus on the roles and values associated with decision making in the private and public sectors” (p. 111).

Drawing from Friedland and Alford (1991, 249), Clarke and Gaile predict that conflict will occur between ‘interdependent institutional orders’ with differing “central logics and organizing principles”, when there is disagreement over which institutional logic should guide different activities. In local economic development, “either the logic of the market is extended to the state and democracy, or the logic of the state and democracy is extended to local markets” (1998, 111-112). Market logic emphasizes “profitability, efficiency, and responsive command structures in decision making”, and as Pierre emphasized in his progrowth model of governance, is by nature exclusionary, seeking restrictive participation in order to avoid losing dominance over the political – usually economic development – agenda. Democratic logic values the accommodation, participation, and representation of different interests, and “consensual decision making processes”, and is more concerned with process than outcomes (ibid., p. 112). This “institutional logics” dimension captures political

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46 Recall that, as outlined in Chapter 1, the three hypotheses of the study are concerned with determining if workforce development networks exist, if they exhibit structural variation, and the extent to which they exhibit degrees of social inclusion. A fuller account of network capacity, or the ability of networks to actually affect change, is a separate research question and beyond the scope of the current study.
struggles over whether democratic or market institutional logics should prevail. In order to apply this dimension to our analysis of local workforce development networks, a small modification is useful. ‘Democratic logics’ tend to address notions of citizenship and representation, whereas this study deals more with the social welfare dimension of representation; the extent to which programs aimed at linking workers with high quality jobs in the local economy is part of the local workforce development discourse. In order to capture the social welfare dimension central to workforce development, we will refer to this dimension instead as ‘social welfare logics’ to reflect the extent to which social inclusion considerations or ‘logics’ are part of the urban discursive agenda.

The second dimension refers to the linkages within the local institutional framework, and seeks to characterize the capacity of local governance institutions to implement development decisions. These are distinguished according to ‘tightly’ or ‘loosely’ coupled framework links. In tightly coupled frameworks, decision rules, procedures and values will be consistent across organizations, and “goals and strategies are relatively explicit and coordinated” (p. 112). This increases the likelihood that strategic plans will be implemented because tightly coupled frameworks can provide the focused leadership, attention, formal communication, and organizational resources necessary to overcome the “uncertainty and complexity of local decision making” (p. 113). 47 In contrast, ‘loosely coupled’ frameworks refer to different organizational types with different values, decision rules and procedures, multiple points of authority, formal and informal communication networks, and fragmented resources, and “mustering coordination and cooperation under such conditions is notably difficult” (p. 113). There is more potential for instability, uncertainty, and potential conflict over “turf issues and the appropriate rules and routines to be used in different cases” (ibid., p. 113). However, these arrangements can also be more flexible in the types of projects they address, adaptable to changing conditions or new ideas, and possibly more accessible to other “groups seeking to challenge current priorities” (ibid., 113). Like Clarke and Gaile’s comparison of Cleveland, Jacksonville, Syracuse and Tacoma, the workforce development activities of Hamilton, Kitchener-Waterloo and Ottawa will be characterized according to

47 Clarke and Gaile cite several highly publicized urban ‘success stories’ such as Pittsburgh and the Allegheny Conference, the Baltimore Inner Harbour partnership, and the Cleveland Tomorrow Network as examples of tightly coupled links.
these two dimensions of ‘institutional logics’ and ‘framework capacities’. It will determine whether the logic of the market or of social inclusion prevails, and how tightly or loosely coupled the institutional framework is in each city under consideration.
Chapter 4

Hamilton: Overlapping Networks

“What has happened is that a lot of these local organizations have become extremely competitive with each other so a lot of these structures then become the water hole around which the animals start to fight for survival”.

Confidential interview

“There is a sense of apprehension whenever there’s talk of one agency…I think we’d all love local decisions to be made here but the dark side to that [is that] people feel threatened by that as well – is there an agency in the community who would be positioned to be the interface, the clearinghouse, the broker of these services and resources?”

Confidential interview

Introduction

Hamilton is a city in transition. While some see it as having the factor advantages to support the successful shift to new economy industrial activities, others rue a civic inability to push forward the initiatives required to drive this transition. Hamilton is often characterized as a “steel town” or “lunch bucket town”, lacking charm and beauty. It is perhaps the quintessential Canadian rustbelt city that, beginning in the 1980s, has undergone the steady and protracted decline of its traditional manufacturing industries without a clear picture of what forms of economic activity will take hold to replace them. At the same time, however, several innovative economic, cultural, and civic initiatives that enjoy widespread community support are currently underway, and many see Hamilton as the up-and-coming “next big thing”. A clear characterization of Hamilton’s current economic situation is therefore somewhat elusive. While it continues to struggle under the economic shocks of
de-industrialization and massive job losses coupled with high poverty rates, it has a strong regional health care system, emerging health science-based industries, and several post-secondary institutions.

The impact of economic events of the past decade or so has highly motivated Hamilton to address workforce development issues. HR Matters, which was housed within the Industry Education Council (IEC), driven locally and funded primarily by federal and provincial governments, was a community-wide network aimed at the development of a broadly inclusive local workforce development strategy. Though HR Matters was not ultimately successful in establishing and sustaining a community-wide workforce development network, it was the most successful of the three as it sowed the seeds for later collaborative efforts. As such, it provides the focus of this empirical study of local workforce development networks in Hamilton. This chapter draws from the secondary literature to provide a brief profile of Hamilton, including a description of primary local economic activities, political and economic development structures, and basic demographic indicators such as education, income, and occupation. Next, there will be a brief discussion of primary labour market issues, followed by a description of the key labour market intermediaries and constituent workforce development networks. Third, there will be a detailed discussion of local workforce development initiatives and the near success of the community-wide workforce development network, HR Matters. The chapter will conclude with an analysis of local autonomy and social inclusion in Hamilton.

A Brief Profile of the City of Hamilton

The Local Economy

Steel and its related manufacturing industries, from railways in the 19th century to auto parts in the 20th and 21st centuries, have historically formed the backbone of Hamilton’s large manufacturing industries, but Hamilton’s once strong manufacturing sector, was also home to a diverse set of other manufacturing activities including textiles, agricultural equipment, tires, processed food and major appliances.48 Lured by the prospect of

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48 One railway related steel sector manufacturing activity that endures is National Steel Car.
inexpensive hydro electric power, large British and American manufacturing industries began to establish plants in Hamilton in the late 19th century. While the steel industry in Hamilton can trace its roots to the early 19th century, it was during the industrial boom of 1910 to 1912 that the city’s two leading steel companies, Stelco (1910) and Dofasco (1912) were established. Steel and a changing array related industries have been the primary drivers of the local economy ever since and have demonstrated a remarkable resilience to economic change having survived major economic recessions and the impact of a newly globalized industry. For example, National Steel Car has been a North American leader in the manufacture of freight and passenger rail cars since 1912. From the production of agricultural implements, to war munitions for both world wars, to auto parts, these globally competitive and innovative industries have employed a significant proportion of the local skilled and semi-skilled labour market. By 1926, Hamilton was the third largest manufacturing center in Canada with more than 500 industries (Hamilton Public Library, 2000). During World War II and expanded munitions production, there was another large influx of workers into the region. The dwindling of the textile industry in the 1950s was a harbinger of the de-industrialization to come, while steel and related industries continued to expand.

As outlined in Table 4.1, a relatively high proportion of Hamilton’s population is still employed in the manufacturing and transportation and logistics sectors, followed by public sector employment in health care. Hamilton’s list of top ten employers still includes four large manufacturing companies centred on steel and related industries (ArcelorMittal Dofasco, U.S. Steel Canada, National Steel Car, and Orlick Industries). The remaining top six employers belong to the public sector, and include government institutions (the City of Hamilton and the Government of Canada), educational institutions (McMaster University and Mohawk College), and health care institutions (Hamilton Health Sciences and St. Joseph’s Healthcare Hamilton). The steel industry continues to form an important part of the local economy, but recent foreign acquisitions of both Dofasco and Stelco mark not only the end of the Canadian-owned steel industry, but introduce yet another element of uncertainty about the possible economic impact on the region. Of particular note is the fact

49 Both Dofasco and Stelco were acquired by large multinational steel companies over the course of this research and are now known as ArcelorMittal Dofasco and U.S. Steel Canada.
that Dofasco’s reputation as an engaged community player, due to its explicit and long-standing commitment to the Hamilton community as a progressive employer, and visible supporter of many civic and social initiatives, faces an uncertain future since its acquisition by the multi-national ArcelorMittal in 2006. Stelco’s ongoing financial insolvency and intermittent labour strife led to fears in recent years that it would be closed, resulting in thousands of job losses. Its acquisition by U.S. Steel in 2007, and assurances that the current workforce level of 3,600 would be kept relatively stable, temporarily allayed fears of more job losses, but in March 2009, the company announced that it was “temporarily” shutting down its Hamilton mill and closing most of its Lake Erie operations. At this point, the other two large steel-related manufacturing industries in Hamilton – National Steel Car (locomotives), and Orlick Industries (auto parts) – appear to have weathered recent economic shocks. Other Hamilton manufacturing industries,

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment by Industry</td>
<td>258,755</td>
<td>100</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,465</td>
<td>2.1</td>
</tr>
<tr>
<td>Construction</td>
<td>17,485</td>
<td>6.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>42,525</td>
<td>16.4</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>41,620</td>
<td>16.1</td>
</tr>
<tr>
<td>Finance and real estate</td>
<td>14,260</td>
<td>5.5</td>
</tr>
<tr>
<td>Health care and social services</td>
<td>30,295</td>
<td>11.7</td>
</tr>
<tr>
<td>Education</td>
<td>20,340</td>
<td>7.8</td>
</tr>
<tr>
<td>Business services</td>
<td>42,365</td>
<td>16.4</td>
</tr>
<tr>
<td>Other services&lt;sup&gt;52&lt;/sup&gt;</td>
<td>44,400</td>
<td>17.2</td>
</tr>
</tbody>
</table>


<sup>50</sup> The results of a Maclean’s Magazine survey put Dofaso in the top 100 Employers in Canada, and the Globe and Mail’s Report on Business Magazine named it among the 50 Best Companies to Work For in Canada.

<sup>51</sup> “Total” refers to total of experienced labour force, 15 years of age and older.

<sup>52</sup> Though it cannot be confirmed with the available data, the relatively high percentage of employment in the “Other services” sector is like due to the high number of people employed in the goods movement and transportation sector in Hamilton.

however, have fared less well. Beginning in the 1980s, Hamilton felt the early warning of impending globalization and de-industrialization with the closure or relocation of many manufacturing firms, some of which were indigenous and dated back to the turn of the previous century, resulting in major manufacturing job losses.\(^{54}\) In 2006, 11,000 manufacturing jobs were lost Hamilton alone.\(^{55}\)

It is not uncharacteristic for a city of this size to have a strong government presence, both a university and a community college, and a local health care system, and each of these sectors makes a critical contribution to the local economic community. Hamilton is well-known for the strength of its regional health care sector, anchored by Hamilton Health Sciences (HHS) which has emerged as a major player in the local economy, and the largest single employer with 10,000 workers. A related medical diagnostics sector appears to have begun to develop as a result of research linkages with local research and teaching hospitals, and anecdotal evidence suggests that it is gaining an international reputation and has begun to act as an important attractor of talent as world class researchers are drawn to well-staffed and supported clinics and research facilities.

The nascent McMaster Innovation Park (MIP) is seen by many to be another critical element of future economic development in Hamilton. Located on the site of the former Camco plant, McMaster, with the support of all three levels of government, is in the process of renovating this former industrial space to house research labs and spin-off incubators in the materials manufacturing and biosciences.\(^{56}\) In addition, though the transition remains in its very early stages, the federal government has made the commitment to move its CanMet lab, along with its staff and research scientists, to the MIP. In addition, based on the premise that theoretical and applied engineers should be able to collaborate in the same research space, an innovative joint program between McMaster and Mohawk to deliver a

\(^{54}\) Of particular note were the departures of Dominion Glass (established 1864, departed 1997), Otis Elevator (established 1902, departed 1987), International Harvester (established 1902, departed 1992), Canadian Westinghouse (established 1903, departed 1997), Proctor & Gamble (established 1913, departed 1998), and Firestone Tire (established 1919, departed 1988). The appliance manufacturer, Camco, Levi Strauss, and Rheem Canada are among other manufacturing firms that have left Hamilton in the past five years.

\(^{55}\) (Globe and Mail, September 5, 2007).

\(^{56}\) The provincial government, through the Ministry of Research and Innovation pledged $10 million, the City of Hamilton, $5 million, and the federal contribution is the CanMet lab.
Bachelor of Technology program is already underway that will eventually be capable of accommodating 1,000 students at a time, and offers the theoretical possibility to begin post-secondary education as an apprentice and finish with a PhD. at the same facility.\textsuperscript{57} Both advanced manufacturing and biosciences activities are supported by the research capacities at McMaster and Hamilton Health Sciences and will be supported by research and commercialization/incubation facilities housed in the McMaster Innovation Park. In addition, the Golden Horseshoe Biosciences Network, part of the Regional Innovation Network (RIN) initiative of the Ontario Ministry of Research and Innovation, developed to support the commercialization of biotechnology, has been recently established, and will also move from its current location at McMaster to the MIP.

Political, Geographic, and Economic Development Structures

Hamilton is the geographic centre of a densely populated industrial region at the western end of Lake Ontario and the Niagara Peninsula, known as the Golden Horseshoe, and is roughly at the midway point between Toronto and Buffalo, New York. It is flanked by the Hamilton Harbour to the North and the Niagara Escarpment which runs through the middle of the city, bisecting it into the upper ‘mountain’ and older, lower parts. Hamilton is a single tier municipality that, like many other Ontario city-regions, underwent an amalgamation process in 2001 during which the new City of Hamilton was formed out of the Regional Municipality of Hamilton-Wentworth and its six municipalities.\textsuperscript{58} As a result of the amalgamation, and according to the 2006 Census, Hamilton is now the ninth largest city in Canada with a population of 504,559.

Like most other Ontario municipalities, local government in Hamilton is run by a mayor and council system, with the mayor elected city-wide, and 15 city councilors elected individually by each of the 15 ward divisions. In addition, each ward elects a school board trustee for each of the school boards serving in its area. During the time period covered by this research, there was a change of mayors when Fred Eisenberger defeated Larry DiIanni.

\textsuperscript{57} The joint BTech program is already up and running and will move to the MIP when facilities are ready.

\textsuperscript{58} A single-tier municipality refers to a census division which is governed by one municipal administration and does not have a regional government above it or municipal subdivisions (independent cities) below it. The six municipalities that underwent amalgamation were Hamilton, Ancaster, Dundas, Flamborough, Glanbrook and Stoney Creek.
in the November 2006 municipal election. There has been some relatively recent turnover on council with the election of eight new councilors.

Table 4.2: Selected Demographic Indicators, City of Hamilton

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as %</th>
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<tbody>
<tr>
<td>Population 2006</td>
<td>504,559</td>
<td></td>
</tr>
<tr>
<td>Population 2001</td>
<td>490,268</td>
<td></td>
</tr>
<tr>
<td>2001 to 2006 Population change</td>
<td></td>
<td>6.6</td>
</tr>
<tr>
<td>Median Age</td>
<td>39.6</td>
<td></td>
</tr>
<tr>
<td>Mother Tongue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>English Only</td>
<td>363,115</td>
<td>72.0</td>
</tr>
<tr>
<td>French only</td>
<td>6,415</td>
<td>1.3</td>
</tr>
<tr>
<td>English and French</td>
<td>820</td>
<td>.02</td>
</tr>
<tr>
<td>Other languages</td>
<td>127,045</td>
<td>25.2</td>
</tr>
<tr>
<td>Employment Rate</td>
<td></td>
<td>60.4</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td></td>
<td>6.5</td>
</tr>
<tr>
<td>Median Income (15 years and over)</td>
<td>$26,353</td>
<td></td>
</tr>
<tr>
<td>Government Transfers (as a % of total income)</td>
<td></td>
<td>12.0</td>
</tr>
</tbody>
</table>


in the last two elections, but the remainder of council has been in place since at least 2000, with three councilors serving for much longer.\footnote{Councilors who have served long terms include Morelli (first elected 1991), Collins (first elected 1995), and Jackson (first elected 1988).}

The main preoccupations of local politics during that time focused primarily on economic development and land use planning, which included the negotiation of the controversial Red Hill Expressway and the proposed development of serviced employment lands surrounding the Hamilton airport.\footnote{These initiatives were, and the development of airport lands continues to be, controversial primarily because of conflicts over their projected environmental impacts. Conflict over environmental issues is one of the primary cleavages in Hamilton’s local politics.} It is beyond the scope of this research to comment more than cursorily on the fractiousness of local politics in Hamilton, but conflict
over environmental issues appears to be one of the primary political cleavages. Unlike the other two city-regions in this study Hamilton does not have a private not-for-profit economic development corporation, and economic development activities are driven instead through the Economic Development Department of the City of Hamilton.

Hamilton has five federal and provincial ridings. Federally, it is known as one of the more politically competitive regions in Ontario with few ‘safe seats’, as all three major parties have significant strength and several of the ridings tend to be very competitive among all three parties. Though Hamilton used to be a Liberal stronghold, both the New Democratic Party (NDP) and Progressive Conservatives made important political gains in recent elections by taking the three urban ridings and the two rural ridings respectively. Hamilton’s provincial seats also tend to be highly competitive, and are currently represented by all three parties; two Liberal MPPs, two NDP MPPs and one Conservative MPP.

HR Matters: The City of Hamilton’s Workforce Development Network

Inspired by the work of emerging workforce development networks in the Niagara region and Talentworks in Ottawa, the local HRDC representative approached other workforce development actors in Hamilton including the Hamilton Training and Advisory Board (HTAB) and the Economic Development Department of the City of Hamilton to launch a similar initiative in Hamilton. HR Matters arose out of the recommendations of a report commissioned by the City of Hamilton and funded by HRDC which indicated that future human resource issues would have major implications for Hamilton’s future economy. HR Matters, like Talentworks, never had core sustainable funding or a regular operating budget and survived instead on project-based funding from a variety of sources. HRDC contributed “somewhere around $300,000” of project-based funding to commission the initial study and the implementation plan for HR Matters. Like all initiatives eligible for

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61 Local political blogs such as Raise the Hammer (www.raisethhammer.org) and Citizens at City Hall (C.A.T.C.H. – www.hamiltoncatch.org) often suggest that Hamilton Council is particularly fractious around several issues such as downtown revitalization, and the expansion of airport development lands, but further research would be required to validate these claims. Because the fractiousness of cohesiveness of Council appeared to have little direct effect on the outcome of workforce development in Hamilton, it is considered to be beyond the scope of this research.

62 Federal and provincial ridings outside of Northern Ontario are coterminous. However, the provincial riding of Brant is often included in the Hamilton area ridings, even though it represents the city of Brantford.
HRDC project funding at the time, the intention was for HR Matters to become financially self-sustaining after the initial start-up phase. Provincial funding was leveraged through HTAB which, like all training boards before the LMDA, was funded equally by HRDC and MTCU, and other funding was provided through project-based funding obtained by the Industry Education Council (IEC). The City of Hamilton provided “back office” support such as administering funds and procurement, but unlike the City of Ottawa, did not provide direct funding. For the short time that HR Matters was up and running, it was housed in the IEC and had one dedicated staff person to run events and oversee communications.

Mapping the Local Labour Market

The uncertain outcomes for Hamilton of the vicissitudes of economic change indicate a similarly ambiguous picture for the local labour market. Unemployment due to plant closures, higher than average rates of high school drop-out and individuals requiring income support, on one hand, are coupled with an increasing demand for skilled workers across all sectors of the local economy, on the other. Despite economic shocks in the manufacturing sector and high social welfare needs, labour force participation rates have remained relatively stable over time, and the unemployment rate for Hamilton is only slightly higher than that of the provincial average, suggesting that manufacturing job losses may be cushioned by other sectors. However, as in many other cities undergoing major economic change, while many laid-off workers appear to have found other jobs, there is some evidence to suggest that they are often not at the ‘family-sustaining’ high hourly wages of unionized manufacturing jobs, but at the much lower rate of unskilled, contingent and precarious employment. At the same time, though Hamilton has experienced a net growth in its labour force, it is not necessarily reaping the economic benefits, as many Hamilton residents appear to commute out of the city to jobs in other municipalities such as Oakville and Burlington.63

63 People commuting out of Hamilton account for the largest share (61.1%) of the labour force increase, and there were over 57,000 out commuters in 2001, a 30% increase from 1996 (City of Hamilton. Statistical Profile 2005). While some parts of the local economy are experiencing labour shortages, in others, “there are just not enough jobs so they leave the community”, most jobs are within an hour’s drive (confidential interview).
An independent human resources study, commissioned by the City of Hamilton’s Economic Development Department, and jointly funded by the City, HRSDC and HTAB, suggested that the combined effects of an aging workforce, an out-migration of highly-qualified talent, and the challenges of integrating recent immigrants into the local workforce could threaten future economic growth. The report predicts that in the aftermath of a dramatic decrease in Canada’s population in general, and Hamilton’s in particular, due to the aging and impending retirement of the ‘baby boom’ generation,

employers will be pressured to urgently revamp human resources policies and practices, communities will be scrambling to entice and retain workers, and educational facilities and economic and social organizations will be hard-pressed to deliver services. The specter of widespread disruption because of severe and prolonged labour shortages will be a constant threat (HR Matters: A Report on the State of Hamilton’s Labour Force 2002, 1).^64^  

The complex needs of the local labour market began to attract the concerted attention of local political, educational and civic leaders in the late 1990s, and several workforce development initiatives driven by a variety of local community organizations began to emerge. Policies designed to attract and retain a highly-educated “creative class” based on a range of robust quality of life indicators, is not a realistic strategy for Hamilton, because it does not have the reputation as a favoured destination city, and the outcomes of these talent-oriented policies are somewhat ambiguous and difficult to measure (confidential interview). Instead, respondents reflected a somewhat more pragmatic orientation to addressing local labour force needs that emphasizes talent creation over attraction, and the improved integration of under-utilized sources of human

<table>
<thead>
<tr>
<th>Table 4.3: Educational Attainment, City of Hamilton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Ages 25-34</td>
</tr>
<tr>
<td>&lt; High School</td>
</tr>
<tr>
<td>High School Diploma</td>
</tr>
</tbody>
</table>

capital, such as recent immigrants and unemployed or under-employed youth. This section provides a brief overview of the major labour market issues identified during the course of interviews, and will be followed a more detailed discussion of the key local actors and networks involved in workforce development in Hamilton.

**Primary Local Labour Market Issues**

**Skilled Trades Shortages**

One of the labour market issues most often reported in interviews, is that Hamilton faces an impending shortage of skilled labour that ranges across a broad spectrum of the local economy, from specialized and skilled trades in the manufacturing sector, to trained and professional health care workers, and a variety of other university-educated professionals. Manufacturing activities in the Hamilton economy have historically employed a wide range of workers in semi-skilled, assembly-type operations, as well as in highly skilled and specialized apprenticable trades such as industrial electricians, plumbers, machinists and millwrights. While the data are not available to confirm speculation, there is evidence to suggest that the majority of jobs lost in the manufacturing sector have been the low- or semi-skilled ones. Firms consistently report shortages in the skilled trades, and workers with licenses in apprenticed trades who lose their manufacturing jobs due to downsizing or relocation, tend to have much less difficulty finding work in related industries. In fact, ‘poaching’ of skilled labour as a recruitment practice is “alive and well” among manufacturing firms in the automotive, automotive parts, and steel industries;

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>4,730</td>
<td>7.8</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>16,495</td>
<td>27.2</td>
</tr>
<tr>
<td>University Degree</td>
<td>15,420</td>
<td>25.4</td>
</tr>
<tr>
<td>Ages 35-64</td>
<td>207,550</td>
<td>100.0</td>
</tr>
<tr>
<td>&lt;High School</td>
<td>35,955</td>
<td>17.3</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>54,565</td>
<td>26.3</td>
</tr>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>23,280</td>
<td>11.2</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>47,840</td>
<td>23.0</td>
</tr>
<tr>
<td>University Degree</td>
<td>38,090</td>
<td>18.3</td>
</tr>
</tbody>
</table>

it takes me three years to get them through the program and another two years to finish their apprenticeship, then Honda or OPG come in and other them $15 more an hour than I pay. They may not see a problem, they may not be having a labour shortage…but there’s a whole other dark side to this training issue, and it’s real and it’s huge (confidential interview).

**Integrating Immigrants into the Local Workforce**

Hamilton attracts its share of recent immigrants but it is not clear how well they are integrating into the local labour market. Immigration currently accounts for 85% of Hamilton’s total population growth, and it is the third most popular destination for recent immigrants to Ontario behind Toronto and Ottawa.65 Echoing concerns expressed by a range of community-based immigrant settlement and employment agencies across Canada, credential recognition for foreign-trained workers was reported as the most important – and the most intransigent – barrier to the full participation of immigrants in the Hamilton economy. The shock that professional qualifications from immigrants’ home countries do not assure them a similar job in their field when they arrive in Canada “happens everyday” for newcomers (confidential interview). At the same time, all recent immigrants face similar challenges, but not all share the same factor advantages. Detailed statistics are not available, but there is anecdotal evidence to suggest that while many newcomers do find high quality, family-sustaining jobs, many others are trapped in a cycle of ‘working poverty’ where they must take insecure, low-paying ‘survival’ jobs or rely on social assistance (confidential interviews). The needs of a foreign-trained physician or software engineer, for example, while complex, are not the same as those of refugees who may not even be literate in their mother tongue, let alone English, and who therefore face numerous daunting challenges upon arrival. Recent immigrants tend to earn less and have higher unemployment than Canadian-born citizens. Hamilton has one of the highest percentages of recent immigrants earning less than $20,000 per year, and almost half of all recent immigrants are living below the low-income cut-off (LICO) line (Centre for Community Study 2006).66 As discussed

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65 The demographics of Ontario immigrants by Census Metropolitan Area, drawn from the Statistics Canada 2006 Census indicate that the top 5 destinations for new immigrants in Ontario in order include Toronto, followed by Ottawa-Gatineau, Hamilton, Kitchener, and London. “Immigrant Population in Ontario Communities”, www.ontarioimmigration.ca.

66 Because many are often not eligible for income supports for a period of time upon arrival to Canada, they tend to take low paying and insecure ‘survival’ jobs to tide their families over while they search for more secure
above, precarious ‘survival’ jobs do not go far in supporting families, and many recent immigrants find themselves requiring different social supports such as health care and child care, as well as income supports, language training, job training, and assistance in finding employment.

**Youth and School-to-Work Transition**

Despite the fact that the high school drop-out rate is decreasing across all provinces local educators and workforce development-related organizations express concerns about the high levels of youth in Hamilton who have not completed high school, as well as the dearth of programs available to support them to return to school. Changing economic conditions and the shift from unskilled and semi-skilled jobs in the manufacturing and resource sector to more sophisticated, technology-intensive jobs in the service sector requires higher levels of skills and formal training. Jobs for unskilled youth are typically poorly paid, temporary or ‘precarious’. This labour market does not bode well for those with only a high school diploma let alone those without, and it is increasingly evident that “graduation from high school is the minimum level of education required to gain access to a range of opportunities (with rare exceptions), including entry to post-secondary education. The labour market is generally inhospitable to high school drop-outs” (Canadian Council on Learning 2005). Several key informants reported that “a lot of kids fall through the cracks from 15 to 19” because there are very few programs targeted directly at their particular needs. For example, in order to be eligible for social assistance in order to take advantage of literacy and skills training, individuals have to be over 19. For some, recent changes to high school curricula that have raised standards in order to prepare students for post-secondary education overlook the needs of those who “can’t compete on that level” (confidential interview). In response, policymakers and educators alike have tended to turn to what they see as pragmatic solutions such as apprenticeships in order to get affected youth into some employment. Statistics indicate, however, that while many do find family-sustaining employment, many others find themselves in financially vulnerable positions and many eventually require social assistance.

67 These include students between 16 and 19 who do not continue after high school or leave early for a variety of reasons such as difficulty with school itself, family issues, and income and work related issues.

68 Much of the service sector requires workers with advanced literacy and numeracy skills in addition to specialized education, and now accounts for the largest number of jobs and is experiencing the strongest job growth in Canada.
form of employment, but “trying to solve social problems or educational problems with potential workplace solutions sometimes is not well thought out” because apprenticeships require several years commitment as well as post-secondary education that requires strong basic literacy and numeracy skills (confidential interview).

**Poverty and Poor Literacy and Basic Skills (LBS)**

Dramatic and sustained job losses in the local manufacturing sector coupled with the fact that a higher than average proportion of the population of Hamilton lives in poverty means that Hamilton continues to face critical social and economic challenges. In fact, Hamilton is tied with Toronto for having the highest rate of poverty of major Ontario cities. In the City of Hamilton, 20% of residents, or about 95,000, live below Statistics Canada’s Low Income Cut-Off measure (LICO). Of this, 26% are classified as working poor, because their employment does not provide adequate wages or job security to maintain a basic standard of living, and another 8% are Ontario Works participants who are considered job ready and looking for work.69 As in many policy areas, one of the more salient features of local workforce development issues is the cross-cutting and interdependent nature of the needs of individuals requiring public supports for income security or employment. Public officials charged with delivering these supports emphasize the complexity of adequately assisting individuals who are unemployed and underemployed.

While many unemployed people feel the sting of uncertainty that arises from unemployment, most have skills, experience, or credentials to draw on that form the basis for alternative career paths, and are often the easiest clientele to serve.70 Somewhat more pernicious and complex, however, is the question of how to serve the significant number of people who are not eligible for temporary income supports under EI funding programs - youth, recent immigrants, the homeless – who also tend to be much harder to serve because

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69 The Ontario Works program, delivered through the Ontario Ministry of Community and Social Services, is the provincial government’s primary temporary income support program, also commonly referred to as “welfare”.

70 A primary concern expressed about, for example, the implementation of performance and accountability measures for Employment Insurance (EI) programs, is their tendency to create a bias in favour of those who are easiest to serve. This process is referred to as “creaming” because it produces “the fastest returns to work and the greatest savings to the EI account”. (City of Toronto. 2000. Toronto Economic Development. *Toronto Labour Force Readiness Plan*, p. 10).
of their deeper skill deficits. Under-educated people with literacy challenges often find themselves trapped in cycles of poverty and require state supports just to maintain basic needs, let alone the skills and capabilities they need to support themselves. Many interviewees referred to the fact that many of the over 20% of Hamilton residents who live in poverty require some form of social assistance from Ontario Works (OW) or the Ontario Disabilities Support Program (ODSP). Even though willingness to seek employment is a condition for receiving social assistance, the hard-to-employ cannot easily enter and stay in the labour market. Roughly 80% of individuals requiring social assistance “have many barriers to overcome and need some work before they are employable” (confidential interview).

In summary, in light of the depth, complexity, and interdependence of labour market issues in Hamilton, local economic development and social welfare advocates alike typically concur that Hamilton’s future requires informed strategic intervention in order to address the plethora of economic, social, and labour market issues that the city faces. In this context, Hamilton has a large number of local actors involved in workforce development activities, a comparatively large number of workforce development initiatives, and several strong community-based constituent networks that drive them. The question is how far have they come in collaborating to develop and sustain a community-wide workforce development strategy? What follows is a more detailed discussion of workforce development activities and the networks that support them in Hamilton.

“The Usual Suspects”: Key Workforce Intermediaries and Constituent Networks

Hamilton appears to have its fair share of social supports. As one key informant described it, “Hamilton is service rich” (confidential interview), and few people complained about the lack of social services available in the community. All Ontario cities of a certain size have the same public service delivery agencies that, depending on the jurisdiction, implement federal or provincial policy and deliver federal or provincial services. Health care, education, social services, as well as, since the signing of the LMDA, income supports and workforce development, each have a local service delivery infrastructure that is administered
Chapter 4

at the provincial and/or regional levels. For a complete list of public service delivery agencies operating in all three cities, see Appendix A. In relation to workforce development and income support services, Hamilton has a local federal Service Canada office that delivers EI payments to individuals, a local MTCU Apprenticeship office, and an MCSS Ontario Works office. The Hamilton-Wentworth District School Board oversees all public education programs including primary and secondary schools, as well as the Ontario Youth Apprenticeship Program (OYAP) and adult continuing education programs. Post-secondary education is delivered through McMaster University and Mohawk College, as well as several other smaller institutions such as Redeemer University and Collège Boréal. However, Mohawk College in particular was often mentioned as one of the most important and engaged local workforce development actors. Hamilton also has an active training board, the Hamilton Training Advisory Board (HTAB), and a long-established Industry Education Council (IEC). In addition, perhaps due to its slightly higher than average social needs, Hamilton has a relatively large array of community-based not-for-profit organizations that focus on the delivery of programs that address local poverty and social welfare issues, immigrant settlement issues, and training and employment issues such as skills assessments, literacy and essential skills, and job search supports.

When asked to identify the key actors involved in local workforce development, respondents relatively consistently identified the same actors – what one respondent referred to as “the usual suspects” which included the following mix of governmental and community-based organizations: Mohawk College, the regional office of HRSDC, the local Ontario Works office, the local public and Catholic school boards, particularly the Ontario Youth Apprenticeship Program (OYAP), the Hamilton Training Advisory Board (HTAB), the Industry-Education Council (IEC), the Settlement and Integration Services (SISO), the Social Planning and Research Council (SPRC), the Hamilton Chamber of Commerce, the Economic Development Department for the City of Hamilton, Dofasco and several local private training firms. Even so, this does not present an exhaustive list or the ‘universe’ of all local workforce development actors, but rather those who were identified in the course of interviews as key actors in local workforce development activities, as Hamilton has many
other large and small social service organizations. It is, however, worth noting that local unions were very rarely, if ever, mentioned without prompting.\footnote{71}

Because of this large number of governmental and non-governmental community-based actors involved in local workforce development and employment activities in Hamilton, it is beyond the space available here to discuss their individual contributions in detail. In fact, what more useful to this analysis, is the number of well-organized, community-based \textit{constituent networks} that act as \textit{intermediaries} by linking local workforce development actors with each other to collaborate and co-ordinate approaches to local labour market issues. Workforce development efforts in Hamilton are supported by several formal and informal networks, which involve representatives from federal, provincial, and municipal governments, Mohawk College and other educational institutions, various employment service delivery organizations, and a smattering of large and small local employers. The distinction between key local workforce intermediaries and constituent networks, therefore, is particularly artificial in Hamilton, because there is such a strong overlap between individual actors and the networks to which they belong;

everybody sits on community committees together. There are a ton of voluntary committees that are out there doing whatever they can for the community, which is really nice. It's a lot of the same players sort of sit around the same tables and then there's different expertise that comes in, no matter what the topic is. So I've found that in Hamilton everybody is really committed to doing what's best for Hamilton (confidential interview).

For example, HTAB and the IEC are discrete organizations, but act as hubs for larger constituent networks. Others, like the IEPC are looser, more informal discussion forums, and still others, like Mohawk College, are single actors, but are highly visible participants in all three. When asked to list the most important actors in local workforce development, respondents tended to identify a consistent set of individuals and organizations. Many interviewees indicated that “it is always the same people” – or the “usual suspects” – who tend to know each other, have informal ties with each other, attend each other’s events, and show up at the same meetings (confidential interview);

\footnote{71 It is also notable that one of the more successful labour-management collaborations around worker training that originated in Hamilton, the Canadian Steel Trade and Employment Congress (CSTEC), was also rarely, if ever, mentioned by interview respondents (Verma, Lamertz, and Warrian 1998).}
there’s HR Matters, there’s HTAB that has sub-committees, there’s the IEC, which has specific initiatives and events which bring a lot of these partners together. [We have] meetings, events, consultations, collaborative ventures and partnerships. Through all of those mechanisms we connect (confidential interview).

Most people report that these networks are positive and durable, marked by “high levels of trust”, inclusive of new entrants, and involve few hidden agendas. Many people pointed out that these networks and linkages have existed for a long time so “there is good personal rapport and relationships that have been built [which are] flexible enough so you can just pick up the phone and call somebody and say ‘this is what’s going on, this is what I’m thinking, what do you think?” (confidential interview). This section provides an overview of the local constituent networks that were identified as key intermediaries in local workforce development activities in Hamilton. The exception is Mohawk College, which is arguably a single actor rather than a constituent network, but is included here because of the multi-dimensional role it plays in local workforce development activities, as well as the networks that support them.

The Hamilton Training Advisory Board (HTAB)

HTAB is one of twenty-one not-for-profit training boards in Ontario, described in Chapter 3. In its official mandate, it is broadly described as “a local community planning organization that builds solutions to labour market issues by engaging stakeholders and working with partners” (www.htab.ca). Like other functioning training boards, its governance structure is designed to reflect comprehensive representation from community stakeholders, and constituency groups including business, labour, education and training institutions, and equity groups (women, francophones, visible minorities, and persons with disabilities). Often described as “a key player” and “one of the most significant influencers”, HTAB was consistently identified as a key contributor to local workforce development because

they take on the role of [conducting] community research around labour force issues and they have been doing that very effectively for

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72 Similar in composition to other training boards, HTAB has five business representatives, six labour representatives, two representatives from local educational institutions, and one representative each from francophone, persons with disabilities, visible minorities, and womens’ groups sitting on its Board of Directors.
the past number of years. They have been able to raise the profile of
certain labour market concerns very effectively, putting them on the
policy agenda, and being able to focus in on how we can resolve those
issues – that’s something we haven’t had in the past (confidential
interview).

Rather than providing services directly to individuals who require education, training
or other employment supports, however, HTAB’s primary mandate is to facilitate the
matching of supply and demand in the local labour market by conducting research and
disseminating local labour market information to its immediate constituency and the larger
community, notably local service providers;

we work to improve conditions in the labour market in Hamilton
generally, but if you were to look to the people that we actually inform,
it’s service providers and that includes sort of educators and people
like that in the community. Like the college, not the university so
much, as I mentioned to you but the college, the service providers that
provide direct service to clients in the community.

These include a wide range of publicly disseminated resources including industry and
occupational profiles and employment trends in key areas such as health, construction and
food processing, and advanced manufacturing, as well as demographic analyses and
inventories of employment trends and programs for youth, immigrants, and women workers.

A primary mechanism through which projects are conducted and delivered is
through strategic partnerships with other local service providers who share a workforce
development focus. For example, among HTAB’s recent projects is the development of a
guide to employment supports and incentives available to skilled trades employers, in
partnership with the Skilled Trades Alliance (see below), intended to encourage employers to
hire apprentices; an employability skills workshop to help prepare Grade 12 work-bound
students for workplace expectations; and ongoing research in support of the development of
an employer-engagement strategy for Hamilton to encourage employer input into local
workforce development strategy in partnership with the Industry Education Council and
Mohawk College. HTAB also coordinates and sponsors regular events that provide a forum
for the local workforce development community to meet and discuss local workforce
development issues. A critical part of its mandate is to coordinate an annual community
planning process that “identifies the priority labour market issues in Hamilton” and
“documents their project and partnership solutions”, and to produce and disseminate the
results of these meetings in an annual Trends, Opportunities, and Priorities (TOP) Report, upon which HTAB, service providers, and other community organizations can base their strategic plans. These events are typically very well-attended by a cross-section of the local workforce development community – the TOP Community Forum in October 2006 drew 121 representatives from a variety of government, education, and community-based organizations. It is notable, however, that both business and labour representatives tend to be proportionately underrepresented at these meetings, reflecting the difficulty of engaging these two groups in community-based initiatives. From the business community, eight people attended, representing six employers, whereas only one union representative was present, despite the fact that there are six labour representatives on the board of directors, none of whom attended the TOP meeting.

The Industry Education Council of Hamilton (IEC)

The other workforce development actor that was consistently identified as a key player was the Hamilton Industry-Education Council (IEC). Like HTAB, the IEC does not directly deliver services, but seeks to build formal, collaborative linkages between local business and industry, the local education sector, and the local labour market in Hamilton. The IEC has been in operation since the mid-1970s, but has never had core operational funding from either the provincial or the federal government, so it relies on project-based funding to cover its costs. As such, the IEC is a labour market intermediary by definition, because it focuses on the development and “strengthening” of Hamilton’s “workforce development infrastructure” from both the supply and demand sides of the local labour market. The IEC’s strategic goals explicitly link workforce development, defined as talent creation and retention, with local economic development. The IEC’s mandate is to strengthen the community’s “workforce development infrastructure” by facilitating “collaboration between business, education, and government to help ensure Hamilton has the skills, knowledge and competencies to compete as a community of choice” (www.iec.ca). The IEC has three main workforce development goals: to strengthen linkages between the education sector and “local economic and workforce development planning and implementation”; to engage employers in workforce development; and to build “a stronger local skilled trades training and employment system” (www.iec.ca). The goals of the IEC fall into the three program areas of school-to-work transition, local partnerships, and workforce
development, each of which is directly linked with the City of Hamilton’s economic development strategy.

The development of formal community partnerships is the pivotal mechanism around which the IEC seeks to develop and implement these community-wide strategies. The Education City initiative, the Skilled Trades Alliance, and HR Matters are three formal, issue-specific, multi-stakeholder partnerships that are housed within the IEC, each of which seeks to address different elements of the current and future human resource requirements of the Hamilton economy. Arising out of the IEC-led Mayor’s Roundtable on Education and the Hamilton Economy formed in May 2004, the Education City initiative sought to explicitly link economic development with the local educational infrastructure.\(^{73}\) The local learning system is described as “a significant competitive advantage in enabling sustainable economic development” and is one of “the three core objectives of the city’s blueprint for sustainable long term economic development” (Submission to Economic Development 2006 Review, p. 1, [www.iechamilton.ca/educationsity.php](http://www.iechamilton.ca/educationsity.php)).\(^{74}\) The Skilled Trades Alliance is a partnership of “local stakeholders committed to advancing Hamilton’s skilled trades system”, and emphasizes the need to strengthen Hamilton’s skilled trades training and employment sector. The ongoing partnership is hosted by the IEC, and provides the “basic, low cost infrastructure needed for stakeholders to convene, identify opportunities for collaboration, and to support the implementation and measurement of joint activities” ([www.iechamilton.ca/skilledtrades.php](http://www.iechamilton.ca/skilledtrades.php)).\(^{75}\) From a community partnership perspective, the Education City initiative engages the education sector, and the Skilled Trades Alliance

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\(^{73}\) The members of the original Mayor’s Roundtable included seven senior administrators including the Presidents of McMaster University and Mohawk college, the Directors of the Hamilton-Wentworth public and Catholic school boards, and the Presidents of three private educational institutions, Redeemer University College, Hillfield Strathallan College, and Columbia International College. The subsequent working group charged with developing the Marketing Plan included designated representatives from each of these educational institutions, as well as representatives from the Ontario Ministry of Children and Youth Services, the Mayor’s Office, the IEC’s Skilled Trades Alliance, the Hamilton Spectator, and the Adult Basic Education Association of Hamilton (ABEA).

\(^{74}\) Even though the initiative still exists, the Mayor under whom the Education City initiative was developed was not re-elected, and there appears to have been little activity since 2006.

\(^{75}\) The Skilled Trades Alliance has developed several marketing plans to encourage youth to engage in the skilled trades and apprenticeships and employers to hire them, a skilled trades informational website, [www.skilledtrades.ca](http://www.skilledtrades.ca), and research studies, workshops and seminars, all in support of skilled trades in Hamilton.
engages stakeholders invested in the promotion of skilled trades but remains an initiative solely driven by the IEC.\textsuperscript{76}

The Intergovernmental Employment Planning Committee (IEPC)

The Intergovernmental Employment Planning Committee (IEPC) did not show up on any internet searches because “it’s just a little bit under the radar” (confidential interview). This informal network is made up of locally situated representatives of various government agencies and various levels of government, who meet quarterly at each other’s offices. While information-sharing remains the primary function, the group has also been proactively involved in community-oriented initiatives, and provided the initial impetus for HR Matters – “the HR Matters idea came from the Intergovernmental Employment Planning Committee. They too were aware of our new economic development strategy and what direction we were headed” (confidential interview). Information about similar initiatives taking place in other municipalities was brought to an IEPC meeting where “there was good discussion around the three levels of government and the various agencies, ministries and departments that were represented there” (confidential interview). The link between local workforce development and local economic development was made explicit, and “it was agreed upon that it would make sense to have the human component of the Economic Development Strategy…also be addressed” (confidential interview).

The necessity of integrating long-term strategic human resource planning into long-term local economic development strategies was the primary intention of the HR Matters initiative, “because it’s great to say this is what you are going to be twenty years from now – all your costs, your infrastructure, your business, everything is there. But if you don’t have the human capital to feed into that, it’s all for naught. So that’s really how the HR Matters piece came into being” (confidential interview). From there, the idea was picked up and developed by the IEC, and supported by HTAB with the intention of developing a formal, community-wide mechanism to support workforce development in Hamilton.

\textsuperscript{76} These stakeholders would include organizations taken up with the promotion, administration, and delivery of pre-apprenticeship and apprenticeship programs such as the local MTCU Apprenticeship Office, Mohawk College, local businesses that hire skilled trades, unions, and OYAP programs aimed at high school pre-apprenticeships.
Mohawk College

When asked about major players in workforce development in Hamilton, Mohawk College was invariably mentioned in a variety of contexts, suggesting that it makes a robust and multi-dimensional contribution to local workforce development activities. Mohawk College is a major contributor to the supply of highly skilled labour to the Hamilton economy. With one of the largest co-op programs in Ontario, it services a little over 3,000 apprentices a year across all faculties. The faculties experiencing particular success are those that are directly linked to dominant economic activities. Graduates, some from apprenticeships, others from straight technical programs from the health sciences, and manufacturing technology areas are easily finding jobs in local hospitals, and the steel and automotive sectors, respectively. Interestingly, even though the manufacturing sector is currently “depressed”, Mohawk’s “graduates in niche markets are doing very well”. Despite recent turmoil in the local steel industry, and as “as much as we think the steel industry is depressed”, “recruitment activity from Stelco and Dofasco is tremendous. They are some of our strongest employers” (confidential interview). Graduates of programs relating to the construction industry are also reported to be having no trouble finding jobs.77

The “Usual Suspects” at the HR Matters Workforce Development “Table”: Overlapping Constituent Networks in Hamilton

HR Matters: Hamilton’s Talent Plan was a local workforce development strategy launched in 2003.78 Arising out of a study commissioned by the Economic Development

77 Mohawk offers a large range of diploma, certificate, and apprenticeship programs offered by the college. In particular, the School of Engineering delivers three-year technical programs at the main campus and apprenticeship and trades programs at the Stoney Creek campus that prepare students for employment in the local advanced manufacturing sector. In terms of skilled trades pathways, The Skilled Trades Awareness Research and Resource Training Institute (STARRT), located at the Stoney Creek campus, is a major new initiative designed to encourage local workforce development in skilled trades.

78 While the HR Matters: Hamilton’s Talent Plan was not solely initiated by the IEC, the IEC remained a key driver of the initiative, and HR Matters was physically located in the IEC offices. Also, though the activities of HR Matters seem to have attenuated somewhat, the most active initiatives, The Training Edge and Boost, are delivered by the IEC.
Department of the City of Hamilton in 2001 to examine the long-term implications for the Hamilton economy of an aging labour force, HR Matters was a multi-stakeholder “public-private sector initiative” that includes representatives from business, education, government and the community, for the purpose of developing “a comprehensive human resource development strategy for the Hamilton community” (www.hrmattershamilton.ca). In anticipation of looming skill shortages caused by an aging workforce and decreasing numbers of young entrants into the labour market, and the fact that access to a local labour pool of skilled workers is a crucial determinant of business locational decisions, HR Matters was established in order to provide a coordinated, community-wide approach” to learning and skills development to support Hamilton’s “long-term vision of economic, workforce and social development” (ibid.). In the effort to address both supply and demand sides of the labour market, the HR Matters Talent Plan was organized around the three key themes of improving community awareness about impending human resources issues, engaging the business community by supporting human resource planning, and building the local labour supply through school-to-work transition, immigration, and skilled trades development.

Institutionally housed in the IEC, it was described as a “not-for-profit, community-based, umbrella initiative” that acts as “a champion, facilitator, and focal point for workforce development”, and the establishment of a broad partnership arrangement was, by definition, one of its primary objectives. In this sense, promoting the development of strategic human resource planning for the local economy involves not only the dissemination of research findings and “success stories”, but also the engagement of “policy-advisors and decision-makers”, and the hosting of initiatives that “foster dialogue, networking, and learning” (www.iechamilton.ca/hrmatters.php, “2005 People First Showcase”). A list of lead organizations and key original participants indicates the breadth of the partnership initiative. Lead organizations, many of which were also key funders, included HRDC, the Economic Development Department of the City of Hamilton, the IEC, and HTAB. The original volunteer Steering Committee (in 2002) included a selection of government, business, education, and community-based organizations including human resource executives from

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several local firms, including Dofasco and Hamilton Health Sciences, the Hamilton Chamber of Commerce, several government officials from HRSDC, the (short-lived) Ontario Ministry of Enterprise, Opportunity and Innovation, and Mohawk College.

HR Matters sought to explicitly link workforce development to the city’s Economic Development Strategy. As such, the discursive emphasis tends to focus on the contribution of the local labour market to local economic growth and competitiveness through the attraction, training and retention of ‘talent’ and skilled labour. At the same time, it acknowledged the need to address issues of poverty, and expresses support for the Social Vision for Hamilton, a community policy document that provided the basis for the proposed development of a “comprehensive Social Development Strategy” for the city. While the discursive emphasis tends to focus on broad, long-term workforce development goals based on school-to-work transition, and the acquisition of recognized credentials through education and training in secondary and post-secondary educational institutions, the importance of providing support and services to other elements of the local labour market such as recent immigrants, displaced workers from the manufacturing sector, unemployed youth, and people with literacy and basic skills deficits, all of which were regularly discussed at the HR Matters table.

Most interviewees reported a general consensus around the needs of the Hamilton labour market, remarking that “people are pretty much on the same page” or “sharing the same conversation” and that “no matter what meeting, group or workshop I’m at, usually similar things come to the top as being a priority” (confidential interview). Many respondents also emphasized the personal nature of many of these linkages and the high

80 HR Matters consistently refers to its efforts to link directly with the City of Hamilton’s Growth Related Integrated Development Strategy (GRIDS), and the city’s Economic Development Strategy based on six identified Clusters of Innovation (www.hrmattershamilton.ca/phase2.shtml).

81 Based on a report commissioned by the City of Hamilton, prepared by the Caledon Institute, with the input of local social welfare organizations such as the Hamilton Community Foundation, the Social and Public Health Services Department, the Social Planning and Research Council, the local United Way, HRDC, and the Ontario Ministry of Community and Social Services, the Social Vision policy document, was endorsed in principle by City Council and seeks to develop a broad “Social Development Strategy” for the City of Hamilton. Like the HR Matters Initiative, its purpose is to “enable the city to proactively plan and implement local initiatives, rather than simply responding to federal and provincial programs” (Hamilton Community Foundation – Special Projects and Initiatives, www.hcf.ca). The full report is: Torjman, Sherri, Leviten-Reid, Eric, and Heisler, Paul. 2002. A Social Vision for the New City of Hamilton. The Caledon Institute of Social Policy.
degree of trust between people who have known each other professionally for a long time, a characteristic that many felt was particular to Hamilton. When asked about conflict over political agendas, many people felt that there was little infighting or attempts to capture the agenda, and much room for dialogue and healthy disagreement;

I think that we work quite hard to ensure that we leave our agency agendas at the door when we get together; we try and work collaboratively – I don’t know what the Toronto or Ottawa community would be, but when we get together, we ensure that put all our cards on the table, it’s a pretty frank and open discussion, if we have concerns, we mention them, we don’t tend to have a lot of hidden agendas (confidential interview).

People report putting a lot of effort into keeping each other informed of their agencies’ activities, and seeking input into agency decisions, to “see if there’s traction or funding for any ideas” and because “we don’t want to catch anyone off guard with what we’re doing”. Many agreed that an overlapping mix of formal and informal local workforce development networks, where everyone knows each other, does exist. One respondent remarked that:

A network to me is a group of people who you feel pretty comfortable dealing with either formally or informally. You can rely on them to assist you with things. You support each other and you share information and hopefully at some juncture you also work together. That to me is a network, and I would say that defines Hamilton pretty well.”

The workforce development community is perceived to be similarly inclusive from a representational perspective. In order to ensure the broadest community representation possible, a network model was used when approaching people to participate on the HR Matters Steering Committee. Individuals were considered not only on the basis of who they were, but also “who they represented”, so they could “go out into the community to spread the word”. As a result, some groups “may not necessarily be right at the table, but in terms of their second ring of contacts, the outreach is there...So for example, we don’t have immigration, status of women, that type of thing at the table, but they are on the Hamilton Training Advisory Board so we know that everything that happens at HR Matters goes back to them and filters out that way” (confidential interview). When asked if there were any important local actors who are excluded from community workforce development efforts, the responses were consistent, and people were somewhat hard-pressed to come up with
examples of excluded groups; people felt that immigrants, older and displaced workers, women workers, people with disabilities, and people who had literacy and basic skills deficits were all represented either directly or indirectly. Representation was built into the HR Matters process, and “one of the issues that we talked about right up front goes back to strategically thinking who is going to fill the chairs around the table, and if you fill the chair, how many other hats do you wear and what linkages can you bring to the table?” (confidential interview).

Scratching the Surface: the Short Life of HR Matters

Almost every workforce development actor interviewed in Hamilton mentioned the existence of HR Matters, and its direct involvement in the community-wide workforce development network. They also tended to emphasize the positive and collegial working relationships between network members. More than one interviewee described HR Matters as a “table” where the same people, or “usual suspects” tend to meet regularly to discuss the strategic workforce development needs of Hamilton. This characterization does not account for the fact that HR Matters was launched in 2003 with broad community support, including political and financial support from the Mayor, yet appears to have largely dissipated by 2006. What started with a bang seemed to have ended, not too long after, with a whimper. HR Matters still exists, but appears to be dormant. The initial picture presented of HR Matters as a cohesive network clearly did not match the reality of how it actually functioned. A slight scratching of the surface reveals the challenges faced by local actors in trying to establish and maintain a locally-driven central workforce development network in Hamilton.

Social Inclusion?: Business and Labour are Not (Really) at the Table

Observations can often be drawn as much from what people do not say. A major aspect of network research is that actors and networks are self-identifying. As a result, groups and individuals that may be excluded are not always captured, for the simple fact that they are not part of the self-identified network. In terms of the discourse on social inclusion

\[82\] Because this study can only capture a particular point in time, tracking the actual outcome of HR Matters is beyond the limits of this study, as it still officially existed when interviews were conducted in Hamilton in 2005 and early 2006. However, there is little output in the form of published materials after 2005 reported after 2005, and the Executive Director of the IEC, one of the main drivers behind the initiative, resigned in 2007.
and community representation in workforce development networks in Hamilton, it appears that while social groups are well-represented, business and labour groups are not. When asked what local actors were not represented at the workforce development “table”, people rarely mentioned the business community, and almost never mentioned the labour community without prompting, yet each of these groups is under-represented, despite the fact that their participation was typically formally or informally sought. It appears that the business community in Hamilton is not particularly well-organized, and, as will be discussed in more detail below, it lacks a private, not-for-profit economic development corporation. As a result, participants in urban governance and economic development initiatives tend to be a small number of very large firms, and workforce development is no exception.

Dofasco and Hamilton Health Sciences, two of Hamilton’s top 10 employers, have been consistently and integrally involved in local partnerships, and larger formal mechanisms such as the IEC and HR Matters. Dofasco’s historical engagement in the Hamilton community is often cited as a shining example of a large firm acting as a progressive employer and ‘good community player’. It has close ties with Mohawk College, and supported efforts to attract the funding to get the STAART program off the ground, sits on both the IEC and HTAB Board of Directors, and has a representative on the HR Matters Steering Committee. Likewise, Hamilton Health Sciences (HHS), driven by the necessity to devise broad and innovative recruiting strategies for the health care profession, has been an active supporter and participant in several community driven initiatives such as the IEC’s Education City and Pathways to Prosperity, as well as, sitting on the Boards of HTAB and the IEC, and on the original HR Matters Steering Committee, and partnering on projects with HTAB. Apart from these two large employers, however, business representation in HR Matters tends to be from small consulting firms, and several respondents mentioned the absence of local small and medium-sized firms (SMEs) in workforce development efforts. The Hamilton Chamber of Commerce, which tends to represent small and medium-sized firms, did not have sustained participation in HR Matters. In fact, one of the main findings

83 The two primary economic development actors are the Economic Development Department of the City of Hamilton, and the Hamilton Chamber of Commerce. While most businesses have memberships at the Chamber of Commerce, it tends to speak more on behalf of small local businesses, rather than the few large, and in some cases, global ones.
that emerged from the studies emerging from the HR Matters initiative was the difficulty of engaging SMEs in strategic workforce development. While local business input into workforce development is critical for strategic planning purposes, and take-up of employable workers, one of the enduring challenges in Hamilton is to “engage the small business owners” because they do not have “the wherewithal to be able to address recruitment, retention, skills upgrading, and skills transfer with their own workforce”, and “it’s a challenge for them as well. It’s not that they don’t want to be there, it’s not that they are not aware, but they are just too busy running their day-to-day operations” (confidential interview).

Labour also was not mentioned once as being active participants in local workforce development, but when prompted, respondents tended to echo each other on their characterization of union involvement. Most people perceived local unions and labour representatives as self-selecting out of the local workforce development process; “they sort of exclude themselves and they seem to be very self-contained. We can’t get them to participate in anything we do. They have their own particular agenda which they don’t seem to share with anybody else” (confidential interview). While a few were aware of the existence of union training centers, they also commented that these resources were only open to union members, and on the perception that “they take care of their own” and “they don’t open the door to individuals”.\(^\text{84}\) It is of note that even though they are formally represented at HTAB with five members on the Board of Directors, only one person representing a union attended the 2007 Trends, Opportunities, and Priorities (TOP) community-wide consultation meeting.\(^\text{85}\)

**Constrained Autonomy: The Absence of Core Funding Mechanisms for Local Workforce Development Networks**

There was almost universal agreement that locally sensitive strategies developed at the local level are essential to address economic and social development issues besetting

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\(^{84}\) The International Brotherhood of Electrical Workers (IBEW) Local 105, the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (UA) Local 67, the Laborer’s International Union of North America (LIUNA) Local 837, and the United Brotherhood of Carpenters and Joiners, Local 18, each have training centers in Hamilton or the surrounding area.  

Ontario communities. Many people stated that Hamilton’s needs are particular to Hamilton, that “we have our own needs” and “you need the flexibility of having resources available to do something different, to innovate, to be creative as a community – where the creativity really takes place is on the community level” (confidential interview). Labour markets in particular, “operate on a regional basis and unless you have full input and some empowerment regionally to decide what the labour market needs, you’re not going to get anywhere” (confidential interview). There was also almost universal agreement that the political autonomy to design and deliver locally sensitive workforce development policy is tenuous at best, primarily because control over the resources to support these activities is located at the provincial level.\(^{86}\) The most telling evidence of this is the fact that there is no provincial policy mechanism to underwrite sustainable core funding for local workforce development activities. HR Matters is described as a formal table, but “it doesn’t have the legs that it needs to have and it’s not influencing policy” largely because “it’s striving to stay alive as an entity, and to fund its own infrastructure to support itself” (confidential interview).

While local intergovernmental networks are well-developed, links between local governmental actors and those at higher levels appear to be quite weak, and policy influence appears to flow one way, from the policymakers at the provincial level to the employment service providers at the local level. As one respondent put it: “policy is not local. There’s no one who’s sat down at the local level and said OK we’re going to talk policy, right? What they’re doing is asking how can we respond to the needs of our community? I don’t see how policy is developed at the local level apart from say Ontario Works or municipal economic development policy” (confidential interview). Hamilton has an articulated workforce development strategy, and a steering committee to support it, “but I’m not sure how much influence you would have from a policy development perspective in Hamilton…Policy that supports workforce development comes from Ottawa or Toronto” (confidential interview). Instead of influencing provincial policy, “I think we’re adapting to provincial policy and program opportunities and trying to drive our programs through those defined programs” (confidential interview). In fact, there appears to be very little interest at

\(^{86}\) This was a federal responsibility until the signing of the Labour Market Development Agreement (LMDA) in Ontario devolved all active labour market policy and programs to MTCU.
the provincial level in supporting regionally sensitive, community-driven workforce development initiatives. While “15 or 20 years ago there was a lot more creative opportunity…at the local level because the feds had a lot more flexibility, now it is very much removed from the local level and most funding decisions take place in Toronto” (confidential interview). There is very little dialogue about distinctive community needs and “there isn’t a lot of policy there around driving communities” (confidential interview).

**Lack of Federal and Provincial Political Support**

In a related point, the lack of autonomy to develop local workforce development agendas was underscored by the difficulty of attracting let alone sustaining political support from federal and provincial politicians for these efforts. Workforce development actors were aware that in order to attract funding to support local knowledge and skills development activities, they needed to influence not only decision makers at City Hall, but also those in Ottawa and Queen’s Park. Several informants expressed frustration about the difficulty of attracting this type of political attention. As one person observed, “we’ve had a lot of different ministers come in and we’ve had a lot of high hopes”, but they keep saying that “you need someone to pull it all together at the local level” (confidential interview). It is telling that none of the local federal MPs or provincial MPPs were mentioned by name in the context of workforce development in Hamilton, let alone as providing any type of leadership or championing of these efforts.

**Difficulty of Sustaining Municipal Political Support**

Forming a policy initiative is not the same thing as being able to implement it. Getting a particular initiative on the political agenda - or the ‘radar’ - of decision makers, and keeping it there, is another activity altogether, one that requires influence as well as collaboration. There are many issues and interests competing for policy attention and funding at the municipal level let alone provincial and federal ones. To get traction for the HR Matters idea, the IEPC approached the IEC to further develop the initiative and help champion it at City Hall. The subsequent proposal became part of the Mayor’s Roundtable on Skills Development. HR Matters subsequently enjoyed sustained public support from Mayor DiLanni throughout his tenure as mayor. People involved in HR Matters report having regular access directly to the Mayor, and he often mentioned the importance of the local skills development agenda and the work of HR Matters in public speeches and at
events and conferences. Though HR Matters made it on to the political agenda, however, it continued to compete for salience with a plethora of other municipal issues. Several interviewees commented that it did not appear on the agenda “as high as it needs to be” and that workforce development organizations “have never really had the ear of City Hall” (confidential interview). Changes in political administrations often mean changes in policy orientation. The election of a new mayor in 2006 interrupted what little momentum remained, and meant that HR Matters fell further down the list of political priorities.

Skills development is a hard sell, and rarely makes it to the top, and then only intermittently, of municipal, let alone federal or provincial agendas;

At the end of the day…there’s not necessarily that strong relationship between City Hall, the councilors and economic development, and the university. From working together to get this done – maybe this happens in a lot of communities or maybe it is more pronounced in Hamilton – they’ve got their agenda…there’s not that buy-in from the community” (confidential interview).

For HR Matters - a purely municipal initiative – “that policy discussion is absolutely essential”, but “there’s just no resource base for it at that level” (confidential interview). The lack of autonomy to fund municipally driven initiatives appears, however, to have more sinister than benign implications. While in Hamilton, “the community has taken on the leadership [to] ensure that we have considered what the issues are, how we address them, what kind of resources we have to put in place, and then trying to create awareness among key stakeholders in the community – employers, training agencies, referral agencies …and HR Matters has done a very admirable job of doing that”, from a funding standpoint “let’s be honest, all of that planning can be very productive and very useful but we still need the investment to underwrite it. It’s at that juncture that funding meets the concept or funding meets the plan that sometimes things break down” (confidential interview).

The Dark Side of Partnership: Conflicts Over “Who Speaks for Hamilton”

One of the strongest themes that emerges in the Hamilton case – and is echoed in the other two cases – is the fragmenting and divisive impact on communities of funding mechanisms that are designed and administered at other levels of government. Interviewees almost universally reported that from a social welfare perspective, people in Hamilton are well-served by a large number of educational institutions, and training and employment
service providers. What is not as well-developed is a system for coordinating these services to avoid duplication and overlap – partly what HR Matters was intended to accomplish. As a result, upon closer inspection, the positive and collegial relationships that reportedly exist between workforce development actors, are not as seamless as they at first appear. Respondents also almost universally reported that workforce development in Hamilton is quite conflictual, and “very political”, because “too many groups of lesser influence” compete for the position of lead organization in workforce development efforts, a situation that is exacerbated by government funding structures which encourage conflict and fragmentation by forcing local agencies to compete against each other for project-based funding. As one respondent so succinctly put it, “I think there’s lots of networks. The problem is that we’ve developed funding mechanisms that set up a divide and conquer approach”. Since HRSDC has withdrawn from funding local initiatives,

a lot of these local organizations have become extremely competitive with each other so a lot of these structures then become ‘the water hole around which the animals start to fight for survival’. We have too many groups that are trying to build Hamilton and they’re too disconnected. They’re all trying to get funding to do things. We need something to pull it together. We have an Industry Education Council, we have a Hamilton Training Advisory Board, which does a lot of good things but is not connected to everything, we have Economic Development [for the City of Hamilton], we have City council sort of overseeing everything, there’s a lot of poverty in Hamilton and a lot of social programs, [and] there’s a lot of smaller groups, Citizens Action groups that try to get into that market as well (confidential interview).

Mixed agendas get mixed results and when “there’s no long term funding available for long term planning or development and its very difficult to get anything done on the ground” because agencies “start getting entrenched and protecting their own territory” rather than “moving forward with the real goal which is to put Hamilton back on the map. We used to be one of the cities in Canada that was looked upon as a center of activity certainly for manufacturing” (confidential interview, emphasis added).

When asked if there was a network of people involved in workplace development in Hamilton, one respondent replied, “yes, without a question” because “there’s lots of players around the table”, but qualified this response by saying that Hamilton lacks a coherent vision or “pooling of ideas to say we’ve got one voice” (confidential interview). While the interest was there to develop this coherent vision, the existence of the political good will to do so
was somewhat questionable because of “competing organizations”, each of which has their own idea of how Hamilton should approach workforce development. While each has done “very deliberate studies on workforce development” and each has said “this is what we need to do”, and then approach government separately for funding, “the government says come back with the Hamilton answer and then we can talk”. While “there’s a lot of good activity and people have put in a lot of work”, and in many cases have come up with the “same answer”, they say “we all want to work independently, fund us because we’re going to do this” and “the government is hugely confused about how to move forward on this” (confidential interviews).

Several people mentioned the need for a private, not-for-profit mechanism – “a group that ties together all of the good things that are being done and speaks with one voice for Hamilton” – with sustainable core funding and local policy impact. Several people mentioned organizations such as the Ottawa Centre for Research and Innovation (OCRI), and the neighbouring Burlington Economic Development Corporation (BEDC) “where they have a very strong economic development unit that’s separate from council and I think they have a little bit more autonomy and power to do things”. At the same time, however, people also expressed reservations about Hamilton’s ability to agree on a common agenda, as well as who should lead it because “I’ve never sat on a committee that’s had enough agreement itself to push for policy change. I think some of the argument from a policy standpoint would be, ‘workforce development at the community level? Who’s going to lead the charge?’” (confidential interview). People commented on the “sense of apprehension” that arises at the community level, “whenever there’s talk of one agency”. Even though “I think we’d all love local decisions to be made here” there is

* a dark side to that…people feel threatened by that as well. Is there an agency in the community, HTAB maybe or the IEC, who would be positioned to be the interface, the clearinghouse, the broker of these services and resources? People feel a little threatened about that as well so they’d almost prefer to have someone at arms’ length flowing the dollars – it keeps it more impartial…I think that would be an interesting debate: if you had your choice, would you have a local neutral agency that would flow dollars to organizations based on merit of their proposals and so on? We talk about all the practicalities of the labour market, what we do with the money and so on [but] I think what we’re really talking about is the political dimension that is engaged in this process – it is very much a political environment, the work
Weak Civic Leadership and Boundary Spanning Activity

HR Matters accomplished a fair bit. It managed to get local workforce development actors from all three levels of government as well as from local community-based organizations to sit around a single table to discuss the future human resource needs of the city of Hamilton. As we have seen, however, it was not able to sustain momentum over time. The absence of a core sustainable funding mechanism exacerbated conflict among different community-based organizations over who should act as the ‘voice’ or locus for the primary workforce development network in the community militated against the ability of HR Matters to speak for the entire workforce development community. As a result, it was also difficult to lobby for and maintain political support. The role of civic leadership and boundary spanners is relevant here. Several key individuals from HRSDC, the IEC, HTAB and Mohawk College worked very hard to recruit local workforce development actors to participate in HR Matters, and to drive the agenda forward, but either they did not have sufficient influence or community ‘clout’ to keep workforce development on the local municipal political agenda, or were implicated in the conflict over the institutional location of HR Matters and therefore perceived by some to be motivated by self-interest.

Local Autonomy and Social Inclusion In Hamilton

Using the framework outlined in detail in Chapter 3, we can draw some conclusions about how the two questions about local autonomy and social inclusion play out workforce development activities in Hamilton.

Measuring Local Autonomy

Hamilton had both a feasible agenda in the form of a formal workforce development plan, and an institutional governance mechanism to house it; HR Matters was housed within the Industry Education Council. In addition, it enjoyed at least initial political support from the municipal government, as well as modest core funding to sustain its activities. This political support began to attenuate, however, as other items moved up the agenda, and was virtually lost when a new mayor took office. Workforce development efforts in Hamilton
benefited from the participation of several well-organized constituent networks, including the IEC, HTAB and the IEPC. The network was formalized in the sense that it was initially funded by HRSDC, and subsequently funded by the municipal government, housed within a local community-based organization, and met regularly. At the same time, however, the network was described as open, because any actor involved in local workforce development activities regardless of the sector to which he or she belonged, was encouraged to participate in the network.

The patterns of support from other levels of government are particularly interesting in this case. Support from local MPs and MPPs, and linkages to provincial policymakers are described here as weak, because they were rarely mentioned by respondents as being involved or interested in, let alone supportive of, local workforce development initiatives. In fact, one of the few interview respondents who commented on the involvement of MPs and MPPs reported a high degree of frustration with the lack of understanding and engagement of federal and provincial politicians. For example, this individual reported that when a provincial minister was approached about ministry support for locally-driven workforce development activities during a visit to Hamilton, the minister indicated a lack of interest in increased local autonomy, and replied by putting the onus on the Hamilton community to decide “who speaks for Hamilton?” (confidential interview).87

In contrast, locally based representatives of federal and provincial governments were strongly supportive of workforce development activities in Hamilton, and in fact were key drivers behind the establishment of HR Matters. The fact that societal interests in conjunction with local governmental actors were sufficiently organized to attract the, albeit temporary, political and financial support of the municipal government to establish – and sustain for a time - HR Matters, in spite of the lack of political support from higher levels of government, indicates that Hamilton did demonstrate some degree of policy autonomy in the area of workforce development. Though this autonomy was short-lived, the inability to sustain the initiative was only partly due to institutional constraints operating at higher levels.

87 The name of the minister and the ministry have been omitted to protect confidentiality, particularly as these remarks are anecdotal.
The failure of HR Matters was due to a combination of non-local governmental forces and local community-based ones.

Table 4.4: Local Autonomy Indicators, City of Hamilton

<table>
<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasible Agenda</td>
<td>Formal Workforce Development Plan</td>
</tr>
<tr>
<td>Governance</td>
<td>Central Development Mechanism</td>
</tr>
<tr>
<td>Role of Local Government</td>
<td>Political Support</td>
</tr>
<tr>
<td></td>
<td>Financial Support</td>
</tr>
<tr>
<td>Network Membership</td>
<td>Constituent Groups</td>
</tr>
<tr>
<td>Network Structure</td>
<td>Formal/Informal</td>
</tr>
<tr>
<td></td>
<td>Open/Closed</td>
</tr>
<tr>
<td>Intergovernmental Relations</td>
<td>Role of MPs and MPPs</td>
</tr>
<tr>
<td></td>
<td>Role of Municipal Government Representatives</td>
</tr>
<tr>
<td></td>
<td>Role of Local Federal and Provincial Government Representatives</td>
</tr>
<tr>
<td></td>
<td>Role of Non-Local Federal and Provincial Government Representatives</td>
</tr>
</tbody>
</table>

The absence of a provincial policy mechanism to underwrite sustainable core funding for local workforce development activities, coupled with competition between local community-based organizations for ownership of the workforce development agenda, rather than the provincial policy constraints alone, resulted in the ultimate demise of HR Matters.

Measuring Social Inclusion

The organization of societal interests in Hamilton varies between economic development and social welfare interests. While social welfare interests are very well-organized and networked with each other, economic development interests are comparatively poorly organized, and not particularly visible in the community. Hamilton lacks a private not-for-profit economic development corporation, and while large employers
send representative to meetings of The Hamilton Chamber of Commerce, it tends to speak primarily for small and medium-sized local businesses, rather than large local employers. The HR Matters workforce development agenda had some civic champions who worked hard to maintain its position on the local political agenda, but either were not sufficiently numerous or influential to drive the agenda forward and encourage other community leaders to support the cause. In the same vein, the lack of an organized business community overlaid with insufficient civic champions meant that there were few linkages between organized economic development and social welfare interests. The network did, however, have the sustained and active participation of several key influential local workforce intermediaries such as Mohawk College and the Hamilton Training and Advisory Board, as well as the Industry Education Council. The strong and overlapping linkages among social welfare interests and the weak linkages among the business and economic development community indicates that the dominant discourse of workforce development in Hamilton is one of social welfare. As a result, it can be concluded that Hamilton’s workforce development efforts were not particularly socially inclusive, but not in the way that the theoretical literature would predict.

Table 4.5: Social Inclusion Indicators, City of Hamilton

<table>
<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of Societal Interests</td>
<td>Organization of Economic Development Interests</td>
</tr>
<tr>
<td></td>
<td>Weak</td>
</tr>
<tr>
<td></td>
<td>Organization of Social Welfare Interests</td>
</tr>
<tr>
<td></td>
<td>Strong</td>
</tr>
<tr>
<td>Leadership</td>
<td>Civic Champions</td>
</tr>
<tr>
<td></td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Boundary Spanners</td>
</tr>
<tr>
<td></td>
<td>Weak</td>
</tr>
<tr>
<td>Active Intermediaries</td>
<td>Community College</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Training Board</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>IEC</td>
</tr>
<tr>
<td>Dominant Discourse</td>
<td>Social Welfare</td>
</tr>
<tr>
<td>Network Linkages</td>
<td>Cross-Membership in Constituent Networks</td>
</tr>
<tr>
<td></td>
<td>High</td>
</tr>
<tr>
<td>Network Configuration</td>
<td>Overlapping</td>
</tr>
</tbody>
</table>
Instead, it was economic development interests that were under-represented at the workforce development table in Hamilton. It is difficult to generalize from one case, but this supports the findings of other recent research on the impact of social networks on community economic development which suggests that in the absence of the active and sustained involvement of influential local business leaders, community-wide policy efforts are less likely to succeed (Safford, 2009).

Summary

As outlined in Chapter 3, the intention of this research is to map out and compare local workforce development governance mechanisms in three Ontario cities, rather than to track the outcome of these efforts. Despite strong initial cross-sectoral buy-in, the HR Matters initiative was not able to sustain the required momentum, and appears to have been sidelined as it has reported no activity since 2005. Several observations emerged from these results. First, Hamilton has quite a few local labour market issues requiring strategic responses, as well as quite a few educational and employment programs and agencies that deliver them. Second, Hamilton can claim success in establishing a locally driven, community-wide workforce development governance mechanism – HR Matters – that enjoyed broad support from community-based actors, some large local employers, and the municipality. What it cannot claim, however, is success in sustaining the network. While most respondents initially reported positive working relationships among workforce development actors at the HR Matters “table” a closer inspection revealed a more nuanced – and less successful – picture.

A third finding was that HR Matters is less “socially inclusive” than it appears, but not in the way predicted by the neo-liberal critique; rather than social welfare groups, it is business and labour groups that tend to be under-represented. While labour appears to have “self-selected out” of the local workforce development process, local business interests in Hamilton appear to be poorly organized, and in a related point, Hamilton lacks a community-based not-for-profit economic development organization. Fourth, respondents almost universally agreed that the degrees of freedom or local political autonomy for municipalities to establish and sustain their own community-wide governance mechanisms are very small because of lack of control over policy and the funding that supports it, both of which are driven by federal and provincial rather than municipal governments. Finally, in
a related point, the strong and positive working relationships between workforce
development agencies seemed to be more interpersonal than inter-agency. Many people
reported that competition among service providers for government funding and to be the
lead organization for workforce development, encouraged conflict between local actors, and
militated against the durability of HR Matters.
Chapter 5

The Waterloo Region: Siloed Networks

“I would say that we’re all pretty siloed and that we have a lot further to go, but we have a better foundation to build on than other communities may”.

- Confidential interview

Introduction

The Waterloo Region, which encompasses the three municipalities of Waterloo, Kitchener and Cambridge, has historically enjoyed the advantages of a highly diversified local economy. While many think of Waterloo in particular as a “high tech” economy linked closely with the University of Waterloo, the manufacturing sector located largely in Kitchener is one of the largest in Ontario. The regional economy is split roughly equally between a mix of mature and advanced manufacturing activities, a strong service sector based primarily on financial services and insurance, and a high concentration of technology-intensive information and communications technology (ICT) firms on the other. As a result, the local economy has been better able to withstand recent economic shocks from de-industrialization and the dot.com/ICT ‘meltdown’ of the early 2000s that have had major impacts on the economies of Hamilton and Ottawa respectively. This economic stability appears to have positive implications for the local labour market; the labour pool is described as quite deep, and the unemployment rate is one of the lowest in the province. A closer inspection, however, reveals some labour market trends that are worrisome to local economic development and social welfare interests alike because the supply and demand sides of the local labour market do not appear to be matching up particularly well. On the one hand, serious shortages of highly skilled and educated workers are projected for the ICT and manufacturing sectors in the near future. On the other hand, there is an oversupply of workers for low-skilled jobs, such as those in the retail sector, which means that entry-level
jobs for the unemployed and difficult-to-employ are in short supply. In short, while KW is experiencing similar local labour market issues to both Hamilton and Ottawa, the impact is playing out differently in local economic and social terms.

Like Ottawa, the Waterloo Region is known for its rich social networks and innovative approach to collaborative governance as evidenced by several robust and well-developed community-wide economic development initiatives such as Canada’s Technology Triangle, Communitech, and the Prosperity Council, among others. There are also well-developed, though less formal and high profile, networks of social welfare and employment service providers. Unlike the other two cities in this study, the Waterloo Region encompasses three separate municipalities that have a rather patchy history of intermunicipal cooperation. While Kitchener, Waterloo, and Cambridge have been successful at developing collaborative mechanisms in some areas, they have been unsuccessful in others (Nelles 2009). A community-wide collaborative approach to workforce development that links economic development and social welfare interests has not been attempted in the Waterloo Region. Of the two constituent networks that address workforce development, the Community Employment Linkages Committee (CELC) is a network of employment service providers and lacks linkages with economic development actors, and the other, the Waterloo Region Immigrant Employment Network (WRIEN) is narrowly focused on the integration of foreign-trained professionals into the local economy.

This chapter will draw from the secondary literature to provide a brief profile of the Waterloo Region, including a description of primary local economic activities, political and economic development structures, and basic demographic indicators such as education, income, and occupation. Next, there will be a brief discussion of primary labour market issues, followed by a description of the key labour market intermediaries and constituent workforce development networks. Third, there will be a detailed discussion of local workforce development initiatives and the lack of a community-wide workforce development network in the Waterloo Region. The chapter will conclude with an analysis of the two dimensions of local autonomy and social inclusion in the Waterloo Region case.
A Brief Profile of the Waterloo Region

The Local Economy

The Waterloo region has one of the most dynamic high tech economies relative to its size in Canada, with a population of just under 500,000. A large number of firms, including both large and small and medium-sized employers are involved in technology and knowledge-intensive manufacturing or services in sectors such as automotive, advanced manufacturing, biotechnology, business and financial services, education, environmental science, food processing, furniture manufacturing, and information and communications technologies (Bramwell et al., 2008b). The Waterloo Region’s largest employers include: the Waterloo Region District School Board (5,000); Research in Motion (4,400); Toyota (4,300); the University of Waterloo (3,500); Manulife Financial (3,300); SunLife/Clarica (3,300); Grand River Hospital (2,200); Automation Tooling Systems (ATS) (1,800); and the City of Kitchener (1,700). While automotive and metal manufacturing, education, and business services are the largest local employers, there are also several major high tech players in the region including Open Text, Northern Digital and ATS. The economy is diverse within each sector and “the Waterloo region is not dominated by one particular high tech sector” (Bramwell et al. 2008b, 5). It is this diversity of economic activities that has allowed the region to weather economic shocks from the dot.com meltdown in 2000 to the current recession.

From its early days as a manufacturing powerhouse and the location of nationally and internationally successful major manufacturing firms such as Dominion Electrohome, to its current status as home of internationally recognized high tech firms such as Research In Motion, the region has been the locus of pioneering technological advances from automobiles, radio, processed foods, and financial services, to wireless communications, computer engineering, robotics and laser technology. In the present period of technology-intensive economic growth, the Waterloo Region stands out for its ability to draw on local sources of innovation and competencies in a diverse array of sectors in the knowledge-based economy (Bramwell et al., 2008b). The three major post-secondary institutions, the University of Waterloo, the Wilfrid Laurier University and
Table 5.1: Employment by Industry, Regional Municipality of Waterloo

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment by Industry</td>
<td>269,265</td>
<td>100.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5,190</td>
<td>2.0</td>
</tr>
<tr>
<td>Construction</td>
<td>16,595</td>
<td>6.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>60,375</td>
<td>22.4</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>43,350</td>
<td>16.1</td>
</tr>
<tr>
<td>Finance and real estate</td>
<td>19,240</td>
<td>7.1</td>
</tr>
<tr>
<td>Health care and social services</td>
<td>21,845</td>
<td>8.1</td>
</tr>
<tr>
<td>Educational Services</td>
<td>20,515</td>
<td>7.6</td>
</tr>
<tr>
<td>Business services</td>
<td>44,485</td>
<td>16.5</td>
</tr>
<tr>
<td>Other services</td>
<td>37,665</td>
<td>14.0</td>
</tr>
</tbody>
</table>


Conestoga College also make critically important contributions to the local economy through the training and education of skilled workers, many of whom remain to work in the local economy, and their technology transfer activities.89

Political, Geographic, and Economic Development Structures

The Waterloo Region is located approximately one hour west of Toronto and along a major transportation corridor to the United States. This region is distributed across the three central municipalities of Kitchener, Waterloo, and Cambridge, which are surrounded by six rural townships, and governed by an upper-tier regional municipality, the Regional Municipality of Waterloo, most commonly referred to as Waterloo Region, which was established in the early 1970s. As indicated in Table 5.1, the population of the region according to the 2006 Census is 478,121, making it the fifth largest Census Metropolitan Area (CMA) in Ontario and the 11th largest CMA in Canada. The regional governing body is the 16-member Waterloo Regional Council which consists of the Regional Chair, the mayors of the seven cities and townships, plus four additional

88 “Total” refers to total of experienced labour force, 15 years of age and older.

89 The University of Waterloo in particular, continues to make enduring and significant contributions to the local economy. For more detail see Bramwell and Wolfe 2008.
Table 5.2: Selected Demographic Indicators, Regional Municipality of Waterloo

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2006</td>
<td>478,121</td>
<td></td>
</tr>
<tr>
<td>Population 2001</td>
<td>438,515</td>
<td></td>
</tr>
<tr>
<td>2001 to 2006 Population change</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>Median Age</td>
<td>36.4</td>
<td></td>
</tr>
<tr>
<td>Mother Tongue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>English Only</td>
<td>355,340</td>
<td></td>
</tr>
<tr>
<td>French only</td>
<td>6,155</td>
<td></td>
</tr>
<tr>
<td>English and French</td>
<td>725</td>
<td></td>
</tr>
<tr>
<td>Other languages</td>
<td>111,035</td>
<td></td>
</tr>
<tr>
<td>Employment Rate</td>
<td></td>
<td>67.6</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td></td>
<td>5.5</td>
</tr>
<tr>
<td>Median Income (15 years and over)</td>
<td>$27,020</td>
<td></td>
</tr>
<tr>
<td>Government Transfers (as a % of total income)</td>
<td></td>
<td>8.6</td>
</tr>
</tbody>
</table>


councillors from Kitchener, and two additional councilors from each of Cambridge and Waterloo, and is located in Kitchener. It is notable that the same person has held the position of Regional Chair since 1985, which has lent some stability and continuity to regional administration.

Patterns of inter-municipal cooperation have historically been fragmented, overlapping and competitive. Because political and economic power resides within each of the three municipalities, they have tended to compete with one another, particularly in areas of economic development. While the regional municipality plays a role in economic development, it is responsible for regional marketing and promotion rather than coordination, leaving the responsibility for business attraction and retention, tourism, and a variety of other activities to each municipality (Nelles 2009). Differing local perceptions based on class and economic activity have also fueled cultural division in the region. While Waterloo has traditionally been perceived as a white collar town, Kitchener and Cambridge are seen by residents of the region to have blue collar origins (Walker 1987, cited in Nelles...
While the technology sector continues to grow and the majority of firms have located in Waterloo, Kitchener and Cambridge continue to be dominated by manufacturing and have felt the sting of de-industrialization and job loss. As a result, the Waterloo Region has “struggled to forge a collective identity” and faces a significant challenge in its efforts to put itself on the map as an internationally significant economic region.

Despite this history of competition and fragmentation, Nelles (2009) argues that the Waterloo Region is characterized by a high degree of intermunicipal cooperation, high levels of community engagement, and a rich tradition of associational governance;

From the Prosperity Council, a private sector led but broadly inclusive association geared towards regional foresight and policy exercises, to Communitech, the ‘high tech’ industry association with ties to governance initiatives across the region, countless other social and community associations and initiatives and a dense network of philanthropic entrepreneurs and angels, the region is endowed with an enviable degree of engagement and institutional thickness (p. 4). Communitech, for example, started in the mid-1990s as an industry association for the local information and communications (ICT) industry to advocate for, network, and support growing ICT firms in the region, and gradually expanded to include a wide variety of other industries, and public and institutional members. What is most significant is that Communitech’s activities were aimed at the entire economic community rather than a single municipality, and played an important role in fostering a sense of regional identity based on excellence in high tech industries (ibid. 2009). Likewise, Canada’s Technology Triangle (CTT) helped to overcome the typical patterns of inter-municipal competition over business attraction by developing a collaborative approach to regional marketing. Clearly, economic development interests are very well organized in the Waterloo Region.

In this context, it is somewhat surprising that a community-wide workforce development network that links economic development and social welfare interests has not yet been attempted in the Waterloo Region. The Prosperity Council initially intended to address workforce development issues with John Tibbits, the highly visible President of Conestoga College leading the Council’s Workforce Development Task Force. It is not clear

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90 A detailed discussion of the activities of Communitech and CTT is beyond the scope of this study. For more details see Nelles 2009.
how the work of the Workforce Development Task Force has progressed since its inception, as there is no publicly available information on its activities since 2004. Most significantly, however, neither The Prosperity Council nor the Workforce Development Task Force was ever mentioned by interviewees as important players in local workforce development activities. In addition, unlike Hamilton and Ottawa, none of the three individual municipalities or the Waterloo regional municipality have economic development strategies with an explicit workforce development component. Nor does workforce development appear to have made it on to any of the local political agendas in any meaningful way. Similar to the Ottawa case, it appears that successful collaboration in some policy areas does not necessarily translate to others. While the Waterloo Region has been successful in encouraging collaboration around economic development issues, broader coalitions that link economic development and social welfare interests seem to be more elusive.

Like all other Ontario regions, except those in Northern Ontario, the federal and provincial electoral boundaries are coterminous in the Waterloo Region. As of 2004, the region was represented by three federal Members of Parliament (MPs), all of whom were Progressive Conservatives, and three Members of Provincial Parliament (MPPs), two of whom were Liberals and one of whom was Progressive Conservative, including John Milloy, Minister of Training, Colleges and Universities who succeeded Chris Bentley in 2007.

**Mapping the Local Labour Market**

The Waterloo Region does not appear to face the same economic challenges as other de-industrializing cities, like Hamilton, due to the diversity of its local economy.

However, while the low unemployment rate in the Waterloo Region would be taken by many as an indicator of a well-functioning local labour market, closer inspection reveals that gaps and mismatches, if not addressed strategically, may have negative consequences for future economic growth. At the same time, while the poverty rate is currently relatively low

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91 There is some indication that the Prosperity Council has become more focused on the development of arts and cultural activities for the purposes of talent attraction and retention.
at 10% of the population, distributed evenly across the region, other current local labour market trends suggest that this income gap could widen.\footnote{While some would argue that 10% of the population under the LICO line is high, this is considered low in comparison to Hamilton at 20%}.

**Table 5.3: Educational Attainment, Regional Municipality of Waterloo**

<table>
<thead>
<tr>
<th>Waterloo Region</th>
<th>Population</th>
<th>Expressed as %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ages 25-34</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; High School</td>
<td>6,795</td>
<td>10.2</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>17,475</td>
<td>26.3</td>
</tr>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>4,035</td>
<td>6.1</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>17,065</td>
<td>25.7</td>
</tr>
<tr>
<td>University Degree</td>
<td>19,110</td>
<td>28.7</td>
</tr>
<tr>
<td><strong>Ages 35-64</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; High School</td>
<td>33,585</td>
<td>17.4</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>50,855</td>
<td>26.4</td>
</tr>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>19,430</td>
<td>10.1</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>41,265</td>
<td>21.4</td>
</tr>
<tr>
<td>University Degree</td>
<td>41,150</td>
<td>21.3</td>
</tr>
</tbody>
</table>


Interestingly, respondents in the Waterloo Region echo many of the same local labour market issues as respondents in the other cities in this study such as integrating immigrants into the local economy, shortages of skilled trades, a lack of entry-level employment opportunities for people with multiple barriers, but which appear to manifest themselves less acutely.

**Primary Local Labour Market Issues**

**Shortages of Skilled and Highly Educated Workers**

Technology-intensive industries in both advanced manufacturing and ICT have continued to contribute to the sustained growth experienced by the region in recent years. While some mature manufacturing firms and sectors, many associated with the auto industry like the BF Goodrich tire plants, have experienced layoffs and plant closures, others, like
Toyota and Automation Tooling Systems (ATS), continue to expand and to require workers qualified in skilled trades such as electricians and millwrights. The ICT industry, dominated by globally recognized firms such as Research in Motion (RIM) and Open Text, continues to grow, requiring highly trained and educated software engineers and computer programmers. These industries, in conjunction with the historically stable financial services and insurance sector, require workers with financial and senior management expertise.

Many municipalities find themselves competing to attract highly skilled and educated workers, and Waterloo Region is no exception. While the local universities – the University of Waterloo and Wilfrid Laurier – produce the highly educated workers such as software engineers and computer programmers for the ICT and other technology intensive industries, many take co-op placements and permanent jobs outside of the region. Likewise, in the manufacturing industries, the demand for skilled trades such as machinists and electricians has continued to grow. Conestoga College trains apprentices in various trades in high demand to industry such as electrician, carpenter, plumber, tool and die maker, stationary engineer, and millwright, among others, and currently finds itself with “more apprenticeship placements than we have apprentices” in some programs. In short, the region is struggling to attract, produce, and retain sufficient skilled and educated workers to sustain its current economic growth, and firms regularly recruit globally for specialized skilled trades, as well as senior management and senior researchers and technologists alike; “we get phone calls all the time from local employers who need to hire a tool and dye person or an electrician and they’re having a difficult time recruiting people” (confidential interview).

Like many other Ontario communities, the Waterloo Region seeks to address current and projected skill shortages by attracting foreign-trained skilled workers (those with formal qualifications in the skilled trades) and professionals such as engineers, physicians, lawyers and accountants, (FTP) and integrating them into the local economy. According to the 2006 Census, 23.1% of the Waterloo Region’s population is foreign-born, placing it fourth in Ontario in terms of immigrant population per capita behind Toronto, Ottawa, and Hamilton. As a result, “ensuring that immigrants have the opportunity to use their skills

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towards community-building is therefore becoming a greater public priority” (Wayland, 2007, 1).

Another labour market issue related to projected shortages in skilled and professional workers is supporting the school-to-work transition and career development activities of high school students. On one hand, high school students need access to accurate information and realistic job descriptions about career and employment opportunities in the local labour market. Having realistic career and employment expectations requires “much more understanding within the school system of the types of jobs and careers that are going to be available to people when they graduate. People have totally unrealistic expectations of what’s available. University isn’t always the thing to do. I’ve talked to people coming out of university who realize they need to go back to college but they can’t afford it…There needs to be a lot more on the connection between what’s happening in guidance in the schools and what’s happening in the labour market. Kids don’t go to school saying ‘I’m going into manufacturing’” (confidential interview).

On the other hand, there are few supports to help youth who are not continuing on to post-secondary studies, and “one of the gaps is in helping kids transition out of the school system…we can’t work with the kids once they’re out of school. Locally we’ve said wouldn’t it be great if we could overlap the programming streams so we could identify kids while they are in the school system who know they are not college or university bound but aren’t ready for the workforce, or who may be early school leavers. How can we get in there and so some work with them before they actually leave?” (confidential interview).

**Loss of High-Paying Manufacturing Jobs**

At the other end of the spectrum, while economic growth may benefit those with the requisite skills and qualifications, those without do not fare so well. Although the high tech sector is very strong in the Waterloo Region, especially in the City of Waterloo, “it is still very much a manufacturing city” (confidential interview), and as of 2001, 26.3% of the region’s labour force was employed in the manufacturing sector. Some manufacturing industries such as the Transportation Equipment Industries (4,390 employees), Fabricated
Metal Products (3,135), the Machinery Industries (1,385) experienced labour force growth, and five industries increased the labour force by 11,750 people. Eight other industries, however, including Leather and Allied Products (laid off 1,160 people), Rubber Products (laid off 865 people), and Food Processing industries (laid off 670 people) experienced significant plant closures and job losses. In a related dynamic, between 1991 and 2001, the demand grew for skilled trades such as welders and soldering machine operators (+ 1,050), machinists (+ 625) and tool and die makers (+ 505), but declined in low- and semi-skilled labourer, machine operator, and assembly-type occupations (Knafelc, 2004). It is “the large, big wage firms that are leaving town” (confidential interview). The local newspaper reports that “factories have been closing one by one in the area for several years now”, but until recently plant closures were not reflected in unemployment figures because people were able to find contingent or part-time work, but since the recession, even “those part-time and temporary jobs are slipping away” (The Record, January 10, 2009). The unemployment rate in the Kitchener census metropolitan area was 7.7 per cent in December 2008, up from 6.5 per cent in November, and the region experienced a net loss of 4,600 manufacturing jobs in 2008 alone (ibid.)

The implications for the local labour market is that there is an increasing mismatch, or “disconnect” between “what local employers need and the skills and qualifications of the clients we’re seeing” (confidential interview). “While we have a lot of companies in growth mode”, and many displaced workers with sufficient skills and qualifications are “absorbed elsewhere in the economy”, “a lot of the occupations that are being created are at the higher skill level”, and “those are the jobs that are harder to fill. The gap between the unemployed and entry level positions is growing and that’s going to be a major problem in the next couple of years.” While regional unemployment levels are low and there are many job vacancies, “many of our clients are not at the point where they can access them because their skills may not have kept pace. We’ve had a significant number of closures and while people made good wages for many years, suddenly the plant closes and its very hard to earn that same wage level, because many won’t have their Grade 12” (confidential interview). The wages and working conditions of low- and semi-skilled manufacturing jobs are often not

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94 “Jobless shock; area unemployment rate jumps to highest level in 12 years”, The Record, January 10, 2009.
being replaced elsewhere in the local community. In the Region of Waterloo, “if you don’t have Grade 12, you’re really stuck in terms of long-term prospects because those factory jobs where you just lug around boxes are starting to disappear and there are fewer and fewer of those opportunities”. Some people who were laid off from X are still unemployed because they have totally unrealistic expectations of the work force. They worked an eight hour a day shift, with no heavy lifting, making $16 an hour. They didn’t have to learn English so their language skills are fairly poor, and they’re expecting to walk into a day shift job in manufacturing with no heavy lifting where they don’t need English. The jobs they’re applying for, they may last a week or two before they have to quit.

The challenge is that “from the outside, people think ‘look at all the opportunities in Waterloo Region’, but the bulk of opportunities that are available to our clients and lower skilled, lower wage jobs, and they find it very hard to support families on them” (confidential interview). People “may know what they need to do for their education and training and it’s just not always financially feasible or accessible to them…it’s hard to finance and they may not be eligible for the programs that are out there” (confidential interview).

This dearth of quality employment opportunities for displaced workers with insufficient formal qualifications is even more complex for people with multiple additional barriers to employment, many of whom are struggling with addictions or mental health problems, are victims of domestic violence, are sole support parents, or lack literacy and numeracy skills in their first language let alone in English, “so you’re trying to manage that as well as support them to get back into the workforce” (confidential interview).

**Workforce Intermediaries**

This section provides a brief overview of some of the key workforce intermediaries identified during the course of the research, followed by a more detailed discussion of the networks and linkages among them. The Waterloo Region is not unique in its efforts to address mismatches in the local labour market, and many Ontario communities report concerns about increasingly bifurcated labour markets where skill shortages co-exist alongside underemployment, unemployment, and poverty. As many policymakers and service providers alike report, “we need to move people who can do those jobs into them,
and leave the entry level jobs to those who need them. We need a better match in the local labour market (confidential interview).” Rather than quick fixes that seek to place unemployed people into any job - a policy approach that was the hallmark of “workfare” regimes of the 1990s, such as that of the Harris government in Ontario, and the policy logic behind much of the shift toward Employment Insurance at the federal level – the current discourse around community-based workforce development has begun to shift towards more long-term, approaches to helping people develop the skills required to obtain sustainable jobs. Several interviewees reported that this shift is particularly evident in the Waterloo Region, where “there is some interesting work being done…on sustainable livelihoods and that whole asset-based approach” and the development of career pathways to higher quality sustainable jobs (confidential interview). From a policy perspective, people commented that “there’s a shift at the provincial level to talking more about sustainable employment and certainly municipalities agree that that makes more sense” (confidential interview).

Many displaced or unemployed individuals who can self-finance, or who are eligible for temporary income support such as Employment Insurance or Ontario Works, can benefit from various forms of formal institutional training, such as diploma programs and apprenticeships offered at the local community college. There is a strong cross-referral network between many local agencies such as the local MTCU Apprenticeship Office, the Job Connect programs, the Trades and Apprenticeship program at Conestoga College, and Ontario Works, and “we spend a lot of time thinking about pathways”. As one administrator remarked,

I would guesstimate that for 20% of our people, we’re their last stop, their last hope. The displaced workers who have lost their jobs due to downsizing are the most interesting group to work with because they are 35 or 40, they thought they had a job for life, and their biggest fear is that they’ve been out of school too long or they’ll be the oldest one in the class, and they get there and realize that there’s a lot of mature folks there. [People] who may have dropped out of school, it wasn’t that they were stupid but that the high school system did not meet their needs, so agencies like Job Connect re-direct those people to upgrading, but with a definite career path. They’re looking to upgrade these people and give them direction”, and “when they arrive on our doorstep, we want them to be as successful as they can be…If we can take twenty women [with a lot of employment barriers] and not all of them are successful, I’ll tell you there’s nothing more satisfying. We
have about a 10 out of 20 success rate. To me that’s 50% of people who went from being on social assistance to being journey people” (confidential interview).

Others do not benefit so seamlessly from traditional forms of training, and are more difficult to serve. This is rarely, however, because the services do not exist. Regardless of whether someone requires some simple upgrading to learn a new technology in order to apply for a particular job, or much deeper intervention such as Literacy and Basic Skills (LBS) training to help obtain his or her Certificate of General Educational Development (G.E.D.), “there’s a million pathways”, and trying to map out and navigate employment services at the local level alone, is “a nightmare” (confidential interview). The vast majority of agency and institutional representatives interviewed in the Waterloo Region emphasized the critical importance of local networks between local workforce intermediaries to organize the delivery of employment services.

As outlined in Chapter 3, there are several government and government-funded not-for-profit agencies that exist across all three communities and are consistently identified as key actors in local workforce development: the community college, the MTCU Apprenticeship Office, the Service Canada office, Ontario Works, Job Connect offices, public and Catholic school boards, and, in the case of Hamilton and Waterloo Region, a training board, and a business-education partnership. Conestoga College, located in several campuses throughout the region, is consistently identified as one of the most important local labour market actors, due to the large range of educational and employment services that it provides. For example, the School of Trades and Apprenticeship delivers traditional and co-op diploma apprenticeship programs; the School of Career and Academic Upgrading in addition to housing one of the local Job Connect offices, delivers a range of programs aimed at addressing academic gaps from career counseling, to Literacy and Basic Skills upgrading, to high school equivalency, and job readiness programs; and the Department of Corporate

95 The G.E.D. is considered to be the equivalent of a high school diploma, and is recommended for adolescents and adults who did not graduate from secondary school and are seeking admission to post secondary education.

96 Job Connect is delivered in the Waterloo Region through the following contract employment service delivery agencies: Conestoga College (Adult Services at Don Campus, Fergus, Guelph); the John Howard Society of Waterloo-Wellington (Adult services in Cambridge); Lutherwood Employment Services (Adult and youth services in Cambridge, Kitchener, and Guelph); The Working Centre (Resource centre, Kitchener).
Training and Development delivers fee for service training and assessment services to mostly local firms.\textsuperscript{97} The local training board is the Waterloo-Wellington Training and Adjustment Board (WWTAB). Like all training boards, it collects and disseminates local labour market information through the annual Trends, Opportunities, and Priorities (TOPS) Report, facilitates networking among local workforce development actors including governments, educational institutions, and local service providers; “we identify partners and pull them together”. The Business-Education Partnership of Waterloo Region is housed in the offices of Communitech, and delivers various programs aimed at linking employers, educators, and high school students to provide realistic career profiles and facilitate career planning.\textsuperscript{98}

There is a plethora of government-funded and private not-for-profit social service organizations that deliver a wide variety of social welfare programs in the Waterloo Region. The intention here is not to identify and map out the universe of employment service providers in the community, but to isolate the most prominent and active deliverers of employment services and active participants in local workforce development efforts. A preliminary web search combined with snowball sampling resulted in the identification of several key workforce development actors and constituent networks unique to the region, each of which will be profiled in more detail below.

\textbf{Lutherwood Employment Services}

Lutherwood is the largest not-for-profit social service organization in Waterloo Region with more than 300 staff in three main program areas: mental health services, employment services, and senior’s services (\url{www.lutherwood.ca}). The Employment Services Division of Lutherwood was consistently identified as one of the most prominent local employment services providers; “Lutherwood is huge. They have their hand in every part of community social services” (confidential interview). Established in 1984, The Employment Services Division offers a range of services to help people find and maintain employment, launch and maintain small businesses, and to find affordable housing. It delivers contract

\textsuperscript{97} While many of Conestoga’s corporate training clients are large local firms, others are located within a 100 km radius.

\textsuperscript{98} At the time of the interview, The Waterloo Region Business-Education Partnership was delivering the Passport to Prosperity Program that provided formal links between local employers and educators, but is it unclear if the program is still being delivered in the same form (\url{www.bus-edpartnership.org}).
employment services on behalf of the municipal government through Ontario Works and the Ontario Disability Support Program, the provincial government (the youth portion of Job Connect in Kitchener), and the Ontario Disability Support Program) and Service Canada, as well as fee for service employment programs to downsizing firms. With an annual budget of $5.5 million, it is funded from a variety of governmental and non-governmental sources, with the largest source of funds (over $3 million) from MTCU, followed distantly by the Regional Municipality of Waterloo and the Ontario Ministry of Community and Social Services. It offers a wide range of employment programs including introductory sessions on apprenticeship programs, job fairs and training fairs, resource centres for self-directed job search, and pre-employment life skills programs and job search assistance. Services are available to youth, adults, older workers, and persons with disabilities.

Project READ Literacy Network

The Project READ Literacy Network is an umbrella organization of local Literacy and Basic Skills (LBS) agencies, that networks with other literacy organizations across the province and the country, co-ordinates the local service offerings of its member agencies, and provides individual assessments and referrals to appropriate agencies, along with a variety of other functions such as on-site workplace education consulting and literacy training, the collection of literacy statistics, professional development workshops.99 The Working Centre is a not-for-profit skills assessment and employment service that provides an employment resource centre, and works one-on-one with individuals, seeks to match them to jobs with local employers, and provide support to both workers and employers to assist in job retention. Its clientele reflect a wide range of job seekers from skilled workers, people facing job loss due to plant closures, people seeking entry level positions, those dealing with longer-term unemployment, and a substantial number of New Canadians; “over half of the people we work with are internationally trained individuals including accountants, teachers, engineers, doctors, nurses, lab technicians” (www.theworkingcentre.org). There

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99 Local agencies that belong to the network include: the Action Read Community Literacy Centre (Guelph); Conestoga College (Guelph, Cambridge, and Waterloo campuses); The Literacy Group of Waterloo Region; St. Louis Adult Learning Centres; the Waterloo Region District School Board; the Wellington Centre for Continuing Education; and the Wellington County Learning Centre (www.projectread.ca).
are a number of other agencies that deliver employment and other settlement services for immigrants, the most prominent being the Kitchener-Waterloo YMCA Immigrant Settlement Services, which also offers the Newcomer Employment Centre, employment and language assessment, career counseling and job search workshops, and referrals to other local employment agencies to both adults and youth. There are several other smaller agencies that deliver services to people with disabilities (Waterloo-Wellington Ontario March of Dimes), and people who are seeking to build life and employment skills after being in prison (the John Howard Society of Waterloo-Wellington), that came up only rarely in interviews, and though they were identified as local actors, they were not seen as providing mainstream employment support services.

Constituent Networks

Like economic development interest, social welfare interests are very well-organized in the Waterloo Region. Almost every person interviewed commented on the large number of networks between “community partners”, operating in the region, and that “you don’t need to look very far to find a forum or an opportunity in this area to talk” (confidential interview). Many people commented on the long-standing and collegial linkages and working relationships between individual agencies, as well as several larger multiple agency networks;

Overall, what I really appreciate about our region is the working relationships that the agencies have, the way in which organizations have tried to niche themselves into particular areas of service delivery. There’s a real sense of collaboration amongst the providers that…in some communities might be hard to believe. When I travel around, I see such a competitive nature” (confidential interview).

Another interviewee commented that

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100 In May 2008, the federal Ministry of Citizenship and Immigration Canada announced $8.4 million of funding to support immigrant settlement in the Waterloo Region, over half of which ($4.3 million) went to the KW YMCA’s Cultural and Immigrant Services to fund three programs: the Immigrant Settlement and Adaptation Program (ISAP); the Language Assessment Centre and the Settlement and Education Partnerships in Waterloo-Region (SEPWR) in partnership with the Waterloo Region District School Board and the Waterloo Catholic District School Board.
I have worked in other communities in Ontario where the level of formal and informal dialogue was nothing like it is here, was not seen as useful by many key organizations. Every city in Ontario has a social services organization, most have a community college and a university – there’s a lot of common service providers. What’s not necessarily universal is the development, the appreciation or the investment in dialogue and consultation amongst those organizations” (confidential interview).

Several small networks focused on particular service delivery areas were mentioned such as the Employment and Income Support Community Advisory Committee (Ontario Works), the Project READ Literacy Network (LBS), the Opportunities 2000 (poverty reduction), as well as larger ones, such as that overseen by WWTAB. The two most prominent networks mentioned by almost all interviewees, however, were the Community Employment Linkages Committee (CELC), and the Waterloo Region Immigrant Employment Network (WRIEN).

**Community Employment Linkages Committee (CELC)**

The CELC is an informal, volunteer-run network of local employment services providers, including all of the workforce development actors mentioned above, who meet every two months at revolving offices’ “it’s a volunteer group. We have a ToR [Terms of Reference] but its informal, there’s no paid staff, though we do try to formalize it with a Chair” (confidential interview). It arose out of a meeting of 200 representatives of employment service agencies to discuss the development of a new database on programs and services in the region, “and we thought ‘the last thing we need is another database’. If you want to co-ordinate things its really based on positive relationships you develop, the networking you do, the trust you develop in getting to know one another” (confidential interview). Instead, the group decided that what was needed was the opportunity for people at a management level in key decision-making roles to “get together and share information, network, talk about new initiatives, and gaps in services” (confidential interview). Each meeting has an average attendance of twenty to thirty agency representatives, with a total membership of “about 40”, and “a lot of the key community-based employment service providers are there: the college, the municipality, folks from apprenticeship, Lutherwood, WWTAB, Job Connect reps. We try to expand it as much as we can to anyone who has an interest in the delivery of employment services in Waterloo Region” (confidential interview).
The CELC network appears to have three primary intentions. The first is to co-ordinate service delivery at the local level by identifying and “mapping out” the range of services offered, who offers them, and where service gaps may exist. The second is to advocate on behalf of Waterloo Region employment services to other levels of government. Several interviewees commented on local frustration with policy and program silos between different levels of government, and different ministries, and the resulting gaps, overlaps, and duplication of services. Many expressed the need to establish a local approach to service delivery;

We often say that service coordination happens in the community *in spite of* program policies and planning. If we look at the provincial or national level, their stuff is very much in silos. In this community we’re used to saying OK, let’s forget about that. How does this translate at a community level? We’ve got limited resources so we need to ensure that there’s no duplication. *We’re always looking for ways around those policy directions* [emphasis added]” (confidential interview).

Toward this end, representatives from CELC have met with local politicians, as well as senior staff at MTCU to describe their activities, and to advocate for a more community-centred policy perspective at the provincial policy level. A third and related objective is to independently establish a community-driven employment services delivery strategy for the region;

Our intent is that if we do all of this mapping, hopefully we can set some strategies so if, as a community, there’s money coming in, we can ensure that those dollars are directed in the right direction. As opposed to being reactive and waiting for the Ministry to tell us what to do, we’re trying to articulate what is working well, what we need to build on, and where the gaps are….we *really want to have our own employment development strategy across the region*” (confidential interview).

**Waterloo Region Immigrant Employment Network (WRIEN)**

The other large network that was mentioned consistently across interviews was WRIEN, a network of community leaders, employers, employment service providers, immigrant services providers, and educational institutions, housed in the Greater Kitchener-Waterloo Chamber of Commerce. Following the dissemination of a report from a local not-for-profit community research organization in 2002, and a follow-up Immigrant Skills
Summit in 2005, WRIEN was publicly launched in 2006. Well-funded with a combination of $900,000 over three years funded by local private not-for-profit charitable foundations and the Municipality of Waterloo Region, and $400,000 project-based funding from the Ontario Ministry of Citizenship and Immigration to implement an employer engagement strategy, WRIEN’s mandate is to attract and facilitate the integration of highly skilled and professional immigrants to the Waterloo Region. Because of current and projected skilled labour shortages for the region, WRIEN seeks to integrate new Canadians into the local economy because “we need people to sustain our prosperity”.

WRIEN is overseen by a multi-stakeholder Steering Committee that includes a representative cross section of the local business, service provider, and educational community such as the Greater Kitchener Waterloo Chamber of Commerce (Chair), the KW YMCA Cross-Cultural Services, four local employers, Communitech, Conestoga College, The Working Centre, the Regional Municipality of Waterloo, the Kitchener Waterloo Community Foundation, and the Social Planning Council of Cambridge and North Dumfries. In fact, it is because of its explicit attempt to facilitate employer engagement in the process that many regard WRIEN as an innovative model, attracting significant policy attention at higher levels of government as a program that could be replicated elsewhere (confidential interview). Though WRIEN functions as a network, and does not deliver programs itself, it has recently launched the New Canadian Employment Connections Program (NCECP), an important part of which is an employer outreach and visitation program, along with various workshops, mentorship and internship opportunities, and links to other resources such as English as a Second Language (ESL) training, and an immigrant loan program. Of particular note, however, is that WRIEN is entirely a local initiative – while it has received project-based funding from a provincial ministry, it is not administered according to federal or provincial policy. It was driven locally, primarily funded locally, and all of the key actors are local.

101 Though they have no formal linkages, WRIEN’s activities mirror those of the earlier and more established Toronto Region Immigrant Employment Council (TRIEC).
Chapter 5

Keeping to Themselves: Siloed Constituent Networks in the Waterloo Region

The idea of a community-wide workforce development governance mechanism, that matches supply and demand in the local labour market and supports individuals in pursuing career pathways that lead to high quality sustainable jobs in local firms, is not a foreign concept to workforce development actors in the Waterloo Region. One interviewee in the Waterloo region described a community-wide workforce development strategy in the following terms:

the picture I get in my mind is from some of the poverty initiatives from pre-employment to employment, then you get into community economic development a bit there, then into skills enhancement and the employer piece. It’s helping organizations that are really just focused on that one little piece to understand some of the broader connections.

The interviewee then went on to emphasize the necessity of matching supply and demand in the local labour market;

Focusing on just labour market employment programming is not enough. At some point you have to replace the jobs that have been lost. You have to be attracting new businesses. You have to be developing that growth side – the demand side – which is economic development. You can’t do one in isolation of the other’’ (confidential interview).

Another respondent emphasized that both employers and local secondary and post-secondary education systems have to be more involved in the local planning process, and that if “all these groups kept people aware of what they need to be doing…the employment service providers would be servicing a lot less people. We need a better match in the local labour market” (confidential interview, emphasis added). While workers with high levels of skills and education appear to be finding good jobs in the high tech and advanced manufacturing sector, workers lacking formal credentials, such as a high school or college diploma, or formal trades training who worked in low skilled factory jobs do not appear to be adjusting
as well. In this context, on the face of it, the existence of two large local networks that are well-supported, cross-sectoral, and community-wide, suggests that Waterloo region is particularly successful in local workforce development. A closer analysis, however, reveals a somewhat less robust picture.

Lack of a Single Voice

It is argued here that there is no central ‘table’ in the Waterloo region – formal or informal – that integrates all local workforce development actors, including federal, provincial, and municipal governmental representatives and policymakers, service delivery agencies, educational institutions, the local business community, and labour groups. People were quite vocal about their frustration with policy directions emanating from the provincial level that lack local sensitivity, and expressed the need for “a system plan…to meet community needs”, because “there is no body that is formally mandated to take leadership for the conversation around employment services” (confidential interview, emphasis added). While there are several different networks, often with overlapping membership, there is no overarching network at the community level that integrates these networks; “it’s very hit and miss until its institutionalized, which is a long way off”. Neither the CELC nor WRIEN reflect an inclusive, community-wide workforce development strategy. CELC is “a service delivery network” of local employment service agencies that tend to be “information-sharing rather than actively engaging” and is not linked up with other labour market actors such as the local business community, and local labour groups (confidential interview). WRIEN is a broader network that does have representation and participation from service providers, educational institutions, and the business community, but is very narrowly focused on attracting highly trained and educated immigrants to the region for the purposes of economic growth and development. It does not address the employment needs of less skilled immigrants, many of whom are not literate in their native language, let alone English, nor does it address the

102 Not only has there been growth in this segment of the labour market in the Waterloo region in recent years, many firms also recruit nationally and internationally, and the existence of WRIEN underscores the region’s active pursuit of foreign-trained professionals. Some who have recently lost low skilled factory jobs appear to have found jobs elsewhere in the local labour market, and local income support programs (Ontario Works and Employment Insurance) report no increase in their case loads. Others, however, have not, and many, particularly those lacking a high school diploma, or with multiple barriers to the job market, remain unemployed.
employment needs of the broader community, many of whom require significant additional education and training to overcome barriers to the labour market.

This has several implications for questions about local autonomy and social inclusion in local workforce development networks in the Waterloo Region. First, information-sharing is not the same as policymaking. The collaboration between these agencies is primarily for the purposes of sharing information about services and individual case management to avoid duplication and fragmentation, and “informal networks...allow us to understand what the needs are and help us facilitate communication throughout the community about what opportunities there are” (confidential interview). While representatives from municipally delivered services (Ontario Works) belong to the CELC, there is no formal recognition or funding for the network at the municipal policymaking level. Similarly, while the local MTCU Apprenticeship office also belongs to the network, it is in a service delivery capacity, rather than in a policymaking one.\(^{103}\)

As mentioned above, while several members of the network met with various senior provincial government officials to advocate for increased local autonomy for employment services planning in the region, it appears to have been as part of the community consultation process following the signing of the Labour Market Development Agreement (LMDA), rather than in an effort to facilitate local level policymaking. People felt that policymaking is “too far removed from the local level”, and that the local level needs to be “a much greater player in the development of policy, programs and services” (confidential interview). Ultimately, however, though there was felt to be some flexibility to establish local service networks, “I honestly think that we will always be constrained by senior levels of government and their interests”; “that’s what so frustrating. At the community level we can see so clearly what needs to happen and we just can’t make it work” (confidential interviews).

**Weak Political Support from Local and Provincial Politicians**

A theme that began to emerge in the Hamilton case emerges even more clearly in the Waterloo case. The inability for each community to establish a single workforce

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103 As discussed in Chapter 2, since the inception of the LMDA, workforce development policy is made at the provincial level at MTCU, administered at the regional level, and implemented in local Apprenticeship offices.
development network that could speak for the entire community appeared to be a significant impediment to attracting and sustaining political support from both local and provincial politicians. At a municipal governmental level, the workforce development activities of the CELC at the time period covered by this research did not appear to have attracted any attention from any of the three municipal governments or from the regional municipality. But there was also little indication that this type of political attention had been sought. Unlike in Hamilton and to a lesser extent, Ottawa, local government politicians and bureaucrats were not mentioned as relevant to workforce development activities in the region in any interviews. It is possible that this is attributable to the somewhat fragmented municipal structures in the area which make it difficult for community-based networks to get political purchase, but this supposition would require more in-depth research which is beyond the scope of the current study.

Instead, both workforce development networks in the region appeared to set their sights on attracting attention from provincial politicians and bureaucrats. The Parliamentary Assistant to the Honourable Chris Bentley at the time was John Milloy, Liberal MPP for Kitchener Centre, who succeeded Minister Bentley in October 2007. Members of the CELC met with Mr. Milloy, and “instead of wearing our agency hats, we talked on behalf of the committee” about service planning and coordination, and “how we would show off what we’ve done to the minister” (confidential interview). Not too much later, Milloy contacted the CELC in advance of a site visit to Kitchener by then Minister Bentley, and asked if they would to have a “small group meeting” with the minister because “he wanted to hear first hand from the community” (confidential interview). Though nothing came directly out of the meeting, it does indicate that there is some awareness at the political level of local efforts to organize workforce development activities. However, echoing frustration expressed in Hamilton and Ottawa about being “between a rock and a hard place”, another interviewee commented that MTCU was unwilling to financially or politically support local workforce development networks until they were able to organize themselves more fully at the local

104 It is possible that there is some variation in municipal involvement between the two primary workforce development networks in the region. While there appeared to be no municipal involvement with the CELC, the Chief Administrative Officer for the Waterloo Region did sit on the WRIEN Board of Directors. Nonetheless, municipal or regional governmental actors were not mentioned as critical to workforce development efforts in any interviews.
level first. Even though they may not have a direct impact, efforts to communicate with politicians at provincial and federal levels remain an important aspect of network activities as indicated by the fact that the CELC was also able to obtain a meeting with the Assistant Deputy Minister of HRSDC around the same time to talk about the impact of the LMDA on the local community. Nonetheless, the inability of the workforce development actors to develop a single community-wide network around which to organize region-wide workforce development activities appears to have precluded sustained political attention from provincial and federal politicians, even though the Minister of Training, Colleges and Universities is from Kitchener. In contrast, as is discussed in more detail below, WRIEN does not seem to have experienced the same difficulty attracting political attention and funding.

**Keeping to Themselves**

This hints at another theme beginning to emerge in local workforce development networks: information-sharing is not the same as resource-sharing. Echoing a theme that also emerged in the Hamilton case, local agencies tend to compete for contingent project-based funding, a situation that appears to have been exacerbated with the signing of the LMDA. While many interviewees reported that relations between agencies were open and collaborative, and that agencies “do their best to let [each other] know what they are doing and what funding they are going after”, in reality, “in our weaker moments, we’d all point our fingers at someone else and say ‘why did you develop that program when we already deliver it?’” (confidential interview). Particularly after the signing of the LMDA, and in anticipation of major funding re-alignments at MTCU, local service providers have been “in a complete tizzy…We were doing quite well…and then it was every man for himself. [People started] trying to position themselves for money they think will be available under the LMDA. It’s pretty blatant in some cases” (confidential interview). People may report what funding they have applied for but “they are not picking up the phone and asking ‘would you like to do this piece?’” (confidential interview).

105 In this context, it is interesting to note the recent announcement from MTCU that the local literacy network, ProjectREAD, was awarded $164,300 to “develop and report on improving a process for improving the coordination” of the services of Employment Ontario, the Ministry of Education and the Ministry of Citizenship and Immigration, a ‘mapping exercise’ not unlike that already proposed and begun by the CELC. www.johnmilloy.onmpp.ca.
Third, linkages between employers and local business organizations appear to be problematic. The employment services component of the social welfare infrastructure appears to be well developed in the region, almost to the point of being overly networked. Several people made comments such as: “in a community like Waterloo Region, it’s very easy to accidentally overlap with what somebody else is doing. There’s a lot of people involved, a lot of community groups, a lot of networking”; “there’s literally thousands. Sometimes I think there’s too many. We’re always stepping on each other’s toes”; and “it’s a nightmare” (confidential interviews). Most people emphasized the informal, collegial, collaborative and inclusive nature of the CELC where “all the key players are around the table”, but the ‘key players’ are all employment service providers. The CELC is not systematically linked up with other key workforce development actors such as local employers, local economic development actors, or union locals.106 While there are many assessment services, employment resource centres and resume writing workshops, there appear to be few direct links with employers who will give people actual jobs. Many service providers expressed frustration about the difficulty of building linkages both with individual firms, as well as groups or associations of employers. People acknowledged the importance of linking with employers to make sure that the services they are providing to individuals match up with the skill needs of firms, and that employment service programs “could be made much stronger and more useful by [linking them] with economic development, understanding that an economic development initiative leads to human resource capacity”, but they reported that “our biggest challenge is employer engagement”, “we’ve tried so many different ways to engage with employers. We keep hitting a wall with business” (confidential interviews). Linking with individual employers is difficult enough, but linking up a workforce development strategy with broader community economic development goals is even more difficult because “employers seldom have money that they’re willing to contribute...When

106 The participation of unions in local workforce development efforts appears to be even more tangential than in Hamilton. No one mentioned local unions as local workforce development actors without prompting. Even when prompted, no one reported unions as active participants. Though there are union representatives on WWTAB and, along with the college and the MTCU Apprenticeship office, they participate in the administration of apprenticeships in unionized trades, union participation in local workforce development was described as: “they’re there, but they’re not. They march to their own drum” (confidential interview).
it’s bigger than a [single] company, when it’s bigger than an individual firm’s interests, firms lose interest…Leveraging employer interest is a huge challenge” (confidential interview).

Similarly, for the CELC, linkages with local industry associations and economic development actors such as Communitech, Canada’s Technology Triangle (CTT), and the Greater Kitchener-Waterloo Chamber of Commerce are weak to non-existent. Each of these organizations was seen as an important player in local economic development activities, but not particularly relevant to or engaged with the activities of CELC members. As several people commented, Communitech “speaks for the IT sector” which “is a very important and viable piece of our economy”, but “is not a huge piece of our employment” because “not many of our clients are not going to get a job in the technology sector” (confidential interview). Though local economic development organizations “perceive themselves to be important” and to be “the movers and shakers of the world”, they were not seen as engaged workforce development actors because of the perception that they tend to focus only on particular economic sectors, and ignore others such as construction or retail; “you can’t just look at one piece in isolation…but if its not part of your focus, you’re not interested”.

WRIEN, in many ways, stands in stark contrast to the CELC. In some ways, it is more inclusive of a broader range of workforce development actors, and in other ways, its narrow focus excludes the broader range of local workforce issues. Rather than a network of employment service providers funded and governed by provincial policy, WRIEN was an entirely locally driven initiative that had support from the local business community from the outset. It arose out of the Immigrant Skills Summit Waterloo Region in 2005, based on recommendations from the Kitchener-based Centre for Research and Education in Human Services (CREHS).107 Following the summit, the Greater Kitchener-Waterloo Chamber of Commerce was chosen to host - or “co-lead” - the initiative, preparatory funding was secured from the Greater Kitchener Waterloo Chamber of Commerce, Communitech, and CTT among others, and funding for a three year mandate was secured entirely from local

107 The CREHS has since been renamed the Centre for Community-Based Research (www.communitybasedresearch.ca). It is a community-based, independent, not-for-profit social research organization located in Kitchener.
sources, some of them private charitable foundations.\textsuperscript{108} As a result of having local champions, a local mandate and local funding, WRIEN has not been subject to the same financial uncertainty, and does not report the same frustrations as the CELC about having minimal policy impact.

WRIEN has much closer linkages with local business actors and economic development organizations because “you really have to seek out champions at different levels and you really have to engage them to bring along other people” (confidential interview). It is housed within – though not governed by – the Greater Kitchener-Waterloo Chamber of Commerce, and the representatives from both Communitech and CTT sit on the Steering Committee, and have been main “drivers behind this” (confidential interview). Though at the time of interviews, it was only in the proposal stage WRIEN has since secured funding for an employer outreach program. It is also supported financially and politically by the Regional Municipality of Waterloo, which also acted as a co-applicant for funding. Yet it is also clearly cross-sectoral, and representatives from local immigrant settlement and employment service delivery agencies, as well as Conestoga College sit on the Steering Committee. Perhaps most critically for the notion of local workforce development, however, WRIEN is also not broadly representative of a community-wide workforce development perspective. At the time of this research, WRIEN representatives indicated that their efforts were focused primarily on the strategic role of highly skilled and professional immigrant workers in order to address the skilled labour shortages and economic development requirements of the Waterloo region.

It is also telling that when asked about other key workforce development actors and networks, none of the interviewees mentioned the Prosperity Council Post Secondary Task Force, an initiative of the Waterloo Region Prosperity Council that counted the Presidents of The University of Waterloo, Wilfrid Laurier University, and Conestoga College, and senior executives from ATS, COM DEV, Polymer Technologies, and Toyota, as well as the CEO of Communitech among its members.

\textsuperscript{108} These included the United Way of Kitchener-Waterloo and Area, the Ontario Trillium Foundation, the Lyle S. Hallman Foundation, the Regional Municipality of Waterloo, the Bridgeway Foundation, and the United Way of Cambridge and North Dumfries (McFadden and Janzen, 2007).
Local Autonomy and Social Inclusion in Waterloo Region

Measuring Local Autonomy

The Waterloo Region did not have a feasible community-wide workforce development agenda, nor did it have a formal governance mechanism and institutional locus. There has been no impetus from any of the three municipal governments or the regional municipality. In short, to date, a community-wide workforce development network that spans the region and seeks to link economic development and social welfare interests, has not been attempted in the Waterloo Region, because workforce development has not yet made it on to local or regional political agendas in any sustainable way. In addition, though both provincial and federal politicians were approached for support, and the Minister of Training, Colleges and University’s home riding is Kitchener Centre, the impact of local MPs and local MPPs on efforts to organize community-wide workforce development activities appears to be minimal.

Table 5.4: Local Autonomy Indicators, Waterloo Region

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<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Feasible Agenda</td>
<td>Formal Workforce Development Plan</td>
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<tr>
<td>Governance</td>
<td>Central Workforce Development Governance</td>
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<td></td>
<td>Institutional Locus</td>
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<tr>
<td>Role of Local Government</td>
<td>Political Support</td>
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<tr>
<td></td>
<td>Financial Support</td>
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<tr>
<td>Network Membership</td>
<td>Constituent Groups</td>
</tr>
<tr>
<td>Network Structure</td>
<td>Formal/Informal</td>
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<tr>
<td></td>
<td>Open/Closed</td>
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<tr>
<td>Intergovernmental Relations</td>
<td>Role of MPs and MPPs</td>
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<td></td>
<td>Role of Municipal Government</td>
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</tbody>
</table>
It can be concluded therefore, that the Waterloo Region did not demonstrate the autonomy to develop and sustain a community-wide workforce development agenda. This is not to say, however, that community workforce development issues are not being systematically addressed. Waterloo demonstrates high degrees of community capacity because the region has well-organized constituent networks, each of which, to a greater or lesser degree, is involved in local workforce development activities.

**Measuring Social Inclusion**

As discussed briefly above, there is a significant amount of collaborative activity in the Waterloo Region. In this sense, both economic development and social welfare interests are well-organized, though the economic development interests tend to be higher profile in the community. Within each of these constituent networks, there are community-based leaders who champion the workforce agenda of their individual constituent group, but there are no boundary spanners who seek to link the work of

**Table 5.5: Social Inclusion Indicators, Waterloo Region**

<table>
<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
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</thead>
<tbody>
<tr>
<td><strong>Organization of Societal Interests</strong></td>
<td>Organization of Economic Development Interests</td>
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<tr>
<td></td>
<td>Organization of Social Welfare Interests</td>
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<tr>
<td><strong>Leadership</strong></td>
<td>Civic Champions</td>
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<td></td>
<td>Boundary Spanners</td>
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<tr>
<td><strong>Active Intermediaries</strong></td>
<td>Community College</td>
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<td></td>
<td>Training Board</td>
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<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td><strong>Dominant Discourse</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Network Linkages</strong></td>
<td>Cross-Membership in Constituent Networks</td>
</tr>
<tr>
<td><strong>Network Configuration</strong></td>
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</tbody>
</table>
different constituent groups. The Waterloo Region also has influential labour market intermediaries including Conestoga College and the Waterloo-Wellington Training Board. It is somewhat of a puzzle in the Waterloo case that even though representatives from each of these key intermediaries, as well as several other community-based groups, belong to both constituent networks examined here, there is very little boundary spanning activity between the two groups, or with organized economic development interests. Because economic development interests and social welfare interests are well-developed but do not have linkages with each other, the dominant discourse is balanced, but workforce development activities are described as ‘siloed’.

Summary

Workforce development efforts in Waterloo Region are described here as siloed because while there are at least two well-organized constituent networks with several overlapping members, they tend not to speak to each other. In addition, except for the narrow focus of integrating foreign-trained professionals into the local economy, local economic development organizations appear to have few links with other local labour market actors. In summary, both economic development and social welfare constituent networks are well-organized, but do not overlap. Because “we don’t have anyone with that broader system mandate for employment services in Waterloo”, “we’re all pretty siloed” and “we’re not putting services together in a coherent way” (confidential interview). Though as an existing structure, the training board was mentioned as having the potential to act as a central coordinating mechanism, “it doesn’t seem to have the mandate”, because it hasn’t been “given the legitimacy” (confidential interview). Others felt that the high degree of goodwill and positive working relationships between workforce development actors in the CELC make it “a good foundation to build on, better than other communities may have”, even though “we have a lot further to go” (confidential interview).

These findings underscore a dilemma that began to emerge in the Hamilton case. Governments exhort communities to self-organize in order to coordinate local workforce development efforts, and to collectively decide who speaks for the labour market needs of the region. This level of co-ordination, however, requires a central governance mechanism.
Yet “part of the dilemma of breaking down silos and working collaboratively”, is that governmental policy silos between government agencies and departments at different levels of government, each with their own ‘targets’ or ‘deliverables’, combined with funding structures and programs that force local agencies to compete for uncertain project-based funding and play “the target-outcome game where people position themselves to get funding”, militate against collaborative community-wide initiatives. In this context, it is not surprising that these communities lack sustainable, co-coordinated central workforce development mechanisms. In fact, it is quite remarkable that they manage to sit at any table together at all. A strong theme emerged about the need for governments to take responsibility “at the ground level” to facilitate the coordination of local workforce development efforts.
Chapter 6

Ottawa: Fragmented Networks

“Talentworks is between a rock and a hard place.”
- Confidential interview

“There is no table. It’s fractured and there’s reasons for that”.
- Confidential interview

Introduction

At first glance, Ottawa enjoys many advantages. As the nation’s capital and the seat of the federal government, located at the geographical nexus between Ontario and Quebec, Ottawa enjoys national prestige. At the same time, the federal government is also a well-funded and sophisticated consumer of knowledge-intensive business services. As “Silicon Valley North”, the locus of one of Canada’s highest concentration of high tech activities, Ottawa also enjoys global competitive advantage in knowledge-based economic activities. The presence of the federal government and its research labs, coupled with its diverse high tech economic activities means that Ottawa also boasts one of the highest per capita levels of post-secondary education in the country. Finally, Ottawa is often credited as having particularly successful collaborative governance efforts in the form of the private, not-for-profit tech-sector led economic development corporation, the Ottawa Centre for Research and Innovation (OCRI), and The Ottawa Partnership. This has led some analysts to suggest that Ottawa has been better able to withstand some of the economic shocks that have debilitated other regions with more traditional manufacturing-based industries.

Table 6.3 indicates that 38.3% of the population of the City of Ottawa has a university degree.
A closer look, however, reveals that Ottawa also faces some challenges. Ottawa has felt the sting of economic uncertainty because the various tech sectors in Ottawa are subject to a perverse labour market dynamic. On one hand, while some workers who were displaced by government downsizing in the mid-1990s or the dot.com meltdown of the early 2000s have been able to find new positions in their fields, many others were permanently displaced because their skills rapidly became obsolete. On the other hand, at the same time, the various tech sectors often experience shortages of skilled workers. Several initiatives and collaborative governance efforts have been established since 2000 to address the problems of dislocation in the tech sector, including Vitesse Re-Skilling and the Ottawa Talent Initiative, and, as is discussed in more detail here, TalentWorks – with varying levels of success. The failure to sustain the municipally supported community-wide workforce development network known as Talentworks points to unresolved, and under-discussed, underlying tensions in the local political economy. The research conducted in the Ottawa case suggests that there are different dimensions to local governance, and that strong networks in economic development do not necessarily translate to other policy areas. While OCRI has been consistently successful in organizing collaborative efforts among actors in high tech sectors, Talentworks was singularly unsuccessful in its attempts to establish a cross-sectoral collaborative governance mechanism in the area of workforce development. Unlike Hamilton and, to a lesser extent, the Waterloo region, Ottawa’s constituent networks are weak and fragmented, and they have not been able to sustain a central workforce development network. The failure to sustain a local training board, as well as Talentworks, a local network intended to function as an alternative, was described as the single most important labour market issue by almost all people interviewed.

This chapter will provide a brief profile of the City of Ottawa, including a description of primary local economic activities, political and economic development structures, and basic demographic indicators such as education, income, and occupation. Next, there will be a brief discussion of primary labour market issues, followed by a description of the key labour market intermediaries and constituent workforce development networks in Ottawa. Third, there will be a detailed discussion of community-wide workforce development efforts and an analysis of the failure of Talentworks. The chapter will conclude with an analysis of the two dimensions of local autonomy and social inclusion in the Ottawa case.
A Profile of the City of Ottawa

The Local Economy

Ottawa is the fourth largest city in Canada, and taken together with Gatineau, its Quebec counterpart across the Ottawa River, it has a combined population of over 1.1 million. It could therefore be considered as a large city, but this study focuses on workforce development dynamics in the City of Ottawa, which has a population just over 800,000. Ottawa was chosen for this comparison because it represents a primarily high tech and knowledge-intensive local economy, in contrast to Hamilton’s industrial economic base and Kitchener-Waterloo’s mixed economic base. Despite two major economic shocks in the last decade or so, Ottawa has enjoyed above average economic growth and employment rates.

Ottawa has not experienced the same patterns of economic growth as many other Ontario cities because it never developed a significant manufacturing base. Ottawa’s top three employers by sector are the federal government, the retail sector, and the high tech sector. While a small manufacturing sector does exist, it is made up mostly of small and medium-sized firms, many of which are involved in advanced, technology-intensive activities related to the high tech sector, rather than mature manufacturing activities, but is not concentrated in any particular industry; “there aren’t any auto plants here. If anything, it is advanced manufacturing” (confidential interview). Instead, the two primary drivers of economic growth in the region are the federal government and the high tech sector.

In 1857, Queen Victoria’s choice of Ottawa as the national capital of Canada for its geographical position as a nexus between Canada East and Canada West, established its economic growth trajectory. Apart from a local economy based on lumber in the 19th century, the most salient feature of Ottawa’s political economy until the advent of the knowledge-based economy was the presence of the federal government. Due to the presence of the federal government, which significantly expanded in the post-war period, Ottawa developed a specialization in public administration and knowledge-intensive government and business services. The federal government is considered to be a stable and

high-wage employer, and even after the major downsizing of 45,000 jobs in the mid-1990s, the federal government remains the top employer in the region. (City of Ottawa 2006). With the retrenchment of the mid-1990s, the influence of the federal government in the local economy attenuated somewhat and meant that it “would no longer serve as the exclusive engine of prosperity to the extent that it once did” (Paquet et al, 2004a, 227).

In its place, the knowledge-based high tech economy arose from the seeds of intensive federal investment in research and research infrastructure to become the dominant economic driver in Ottawa. Ottawa’s technological roots are described as “a distinctive blend of private ingenuity and public subsidy”, the details of which are beyond the scope of this discussion.111 Dubbed “Silicon Valley North” for the dynamism of its information and communications technologies, Ottawa’s high tech economy has since expanded to include several other knowledge-intensive sectors. Since the 1970s Ottawa has experienced major growth in several technology intensive sectors. There are currently 1,800 technology firms that employ approximately 80,000 people, and are primarily clustered in the software, telecom, microelectronics, and photonics industries, as well as in emerging bio and health sciences firms (Andrew and Doloreux 2008). The high tech economy is dominated by small firms (84% of tech firm have fewer than 50 employees), but also has approximately 50 large firms that have over 500 employees including Nortel, Bell Canada, and Convergys, Calian Technologies, and CGI (OCRI 2007 cited in Andrew and Doloreux 2008, 4). Consequently, Ottawa has also experienced strong growth in knowledge-intensive employment, and from 1971 to 2001, and accounting for the dot.com meltdown, employment in knowledge-intensive business services (KIBS) has been “the most dynamics component of regional economic growth”, and combined with high tech manufacturing, exceeds the output of both Montreal and Toronto.

Table 6.1: Employment By Industry, City of Ottawa

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment by Industry</td>
<td>448,735</td>
<td>100.00</td>
</tr>
<tr>
<td>Agriculture</td>
<td>4,290</td>
<td>1.0</td>
</tr>
</tbody>
</table>

111 For more details see Wolfe (2002); Madill et al. (2004).
<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>18,030</td>
<td>4.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>20,950</td>
<td>4.7</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>57,835</td>
<td>12.9</td>
</tr>
<tr>
<td>Finance and Real Estate</td>
<td>22,940</td>
<td>5.1</td>
</tr>
<tr>
<td>Health Care and Social Services</td>
<td>43,250</td>
<td>9.6</td>
</tr>
<tr>
<td>Education</td>
<td>30,820</td>
<td>6.8</td>
</tr>
<tr>
<td>Business Services</td>
<td>101,515</td>
<td>22.7</td>
</tr>
<tr>
<td>Other Services</td>
<td>149,105</td>
<td>33.2</td>
</tr>
</tbody>
</table>


In this context, many respondents emphasized Ottawa’s high skill and education levels, citing it as having “the highest percentage of [people with] university credentials in Canada”, most of whom are employed in the federal government or the tech sector (confidential interview). Ottawa sustained some major employment shocks due to precipitous declines in the tech sector combined with dot.com crash in the early 2000s, resulting in downsizing or closures and massive lay-offs of highly-skilled and educated workers such as software engineers, in some of the city’s largest high tech employers such as JDS Uniphase and Nortel. Since then, however, ICT and related industries seem to have rebounded, and employment in these sectors appears to have stabilized. Generally speaking, overall unemployment is low, and the implications of this relative economic stability for the local labour market appear to be even more benign than in the Waterloo region, as the attraction and retention of highly skilled and educated workers was rarely reported as a major labour market issue. The continued strong presence of the federal government coupled with strong and sustained growth in the high tech sector has led to the common view that Ottawa enjoys a “uniquely fortunate private-public balance of economic activity and employment that underpins the area” and that Ottawa is not as vulnerable to economic shocks as other Canadian city-regions (Paquette et al. 2004a, 227; Andrew and Doloreux 2008).

There is evidence to suggest, however, that despite appearances to the contrary, Ottawa is still feeling the effects of previous economic uncertainties. Recent research

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112 This research was completed before the current recession began, so it does not capture the impact of the most recent economic changes on Ottawa’s ICT industry.
suggests that while high tech firms may have rebounded after the dot.com crisis, employment in the high tech sector has not, and that the crisis may have been more severe than initially thought. Not only did the permanent layoff rate for people who were unable to find re-employment in their field rise from 1.5% in 2000 to 16.0% in 2001 for Ottawa-Gatineau workers, but laid-off workers who were able to find new jobs, experienced a “very steep decline in earnings” (Frenette 2007, 5). This underscores some of the endemic complexities of local labour market planning, especially in knowledge-based industries, where labour shortages co-exist with unemployment. Many tech workers who lost their jobs in 2001 never regained employment in their field in Ottawa, and many of these re-located to other cities. Several local labour market intermediaries were established to attempt to address these complexities. In the mid-1990s, Vitesse Re-Skilling was established to address labour market shortages of high tech workers, by providing support to foreign-trained professionals to obtain advanced post-secondary educational credentials through targeted and customized, fee for service intensive training (www.vitesse.ca). Not too much later, with a small amount of adjustment assistance funding from the Ontario government, the Ottawa Talent Initiative (OTI) was a peer support network formed in early 2001 to help dislocated tech workers find new jobs in their field. Once the need for adjustment support was over, OTI was supposed to dissolve but it continues to exist as testament to the permanent dislocation many highly educated tech workers have experienced since 2001.

Political, Geographic, and Economic Development Structures

Ottawa-Gatineau (formerly known as Ottawa-Hull) is a city-region that shares common boundaries as part of Canada’s national capital region. The city is located in the Ottawa River valley, situated on the south bank of the Ottawa River at the mouths of the Rideau River and the Rideau Canal. Parliament Hill, the physical seat of the national government overlooks Bytown, the oldest part of Ottawa, and Centretown, the city’s business and financial district. Approximately 25% of the population of the region lives on the Quebec side of the border in Gatineau, and the remainder on the Ontario side in

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113 Earnings for workers who were laid off from manufacturing high-tech jobs in 2001 declined by $11,700 from 2000 to 2003, whereas workers who did not lose their jobs experienced an increase of $12,900, a difference of $24,600. (Frenette 2007, 5).
Ottawa. In terms of first language in the City of Ottawa (Table 6.2), the 2006 Census indicates that 61.8% of the population is Anglophone and only 1.5% is Francophone, but 36.7% is bilingual giving Ottawa the second highest rate of bilingualism in the country after Montreal (Paquet et al, 2004a, 228). Each has its own municipality and its own municipal economic development structures. Even though the inter-provincial boundary between Ottawa and Gatineau is quite “porous” and many people live and work on opposite sides of the river and commute back and forth regularly, “patterns of economic, social and political integration” are quite distinct, and there are some significant discrepancies in economic activities, income, and quality of life indicators (ibid., 227). Because this study is interested in workforce development dynamics in medium-sized cities in Ontario, we focus here on the City of Ottawa. With its population of just over 800,000, it is not a perfect comparator, but is closer in size to Hamilton and Kitchener-Waterloo. We are also interested in the comparison of workforce development activities in different political economies, and in this context, we are interested in Ottawa as a high tech economy. In addition, English tended to be the first language, as well as the language at work, of people interviewed during the course of this research. Though up to date statistics on language most commonly used at work are not readily available, 2006 Census data indicates that even though 501,870 residents report English only as a first language and 119,445 report French only as a first language, 479,740 report knowledge of English only whereas 298,245 report knowledge of both official languages. Statistics Canada. 2006 Community Profiles, City of Ottawa. www12.statcan.ca.

Table 6.2: Selected Demographic Indicators, City of Ottawa

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Raw Number</th>
<th>Expressed as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2006</td>
<td>812,129</td>
<td></td>
</tr>
<tr>
<td>Population 2001</td>
<td>774,072</td>
<td></td>
</tr>
<tr>
<td>2001 to 2006 Population change</td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td>Median Age</td>
<td>38.4</td>
<td></td>
</tr>
<tr>
<td>Mother Tongue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>English Only</td>
<td>501,870</td>
<td>61.8</td>
</tr>
</tbody>
</table>

114 Though up to date statistics on language most commonly used at work are not readily available, 2006 Census data indicates that even though 501,870 residents report English only as a first language and 119,445 report French only as a first language, 479,740 report knowledge of English only whereas 298,245 report knowledge of both official languages. Statistics Canada. 2006 Community Profiles, City of Ottawa. www12.statcan.ca.
<table>
<thead>
<tr>
<th>Language Type</th>
<th>Count (12-year-old)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>French only</td>
<td>12,985</td>
<td>1.5</td>
</tr>
<tr>
<td>English and French</td>
<td>298,245</td>
<td>36.7</td>
</tr>
<tr>
<td>Other languages</td>
<td>173,145</td>
<td>21.3</td>
</tr>
</tbody>
</table>

**Employment Rate**: 65.2

**Unemployment Rate**: 5.9

**Median Income (15 years and over)**: $32,908

**Government Transfers (as a % of total income)**: 5.9


Ottawa is a single-tier municipality that like Hamilton and many other Ontario cities underwent amalgamation in 2001. Ottawa is also home to the National Capital Commission, a regional planning authority in charge of planning, developing and using federal government properties in the region as national symbols. It is governed by a mayor and council structure, with a single mayor and a 24-member city council. Like Hamilton, Ottawa had a change of mayor in 2006 when the two-term Bob Chiarelli was ousted by Larry O’Brien. Due to the fact that Ottawa is the national capital and seat of the federal government, the City of Ottawa is somewhat overshadowed in local perceptions of political influence. Turnover on city council appears to follow similar trends as in Hamilton, with a combination of new councilors and those who have held their seats for a longer time period. In terms of the fractiousness of Council and the preoccupations of local politics during the time period under study, nothing was mentioned during the course of research that had any direct bearing on the local workforce development activities. Instead, local politics was taken up with issues such as land use planning and public transit, as well as bribery allegations involving Mayor O’Brien. As will be discussed in more detail below, the failure of Talentworks was attributable to factors outside the scope of municipal politics.

Ottawa is represented federally and provincially by seven electoral districts. The City of Ottawa has traditionally been a Liberal heartland with mostly ‘safe’ Liberal seats, though this has changed somewhat in recent years, with victories for the NDP in one riding in the
last three federal elections, giving two seats to the Liberals and one to the NDP.\footnote{The NDP was elected in Ottawa Centre in 1984 and again in 2004 when Ed Broadbent, the popular former leader of the party was elected. The NDP managed to retain the seat in 2006 and 2008 after Broadbent’s retirement.} Outside of the city core the suburban areas tend to be dominated by Progressive Conservatives, with four seats in the past two federal elections. Party representation is provincial districts tends to exhibit similar patterns to federal representation, with Liberal seats in the urban areas, and Conservative seats in the rural areas. It is notable that the provincial Premier since 2003, Dalton McGuinty has been MPP for the riding of Ottawa South since he took over his father’s seat in 1990.

Ottawa’s economic development model was described as “quite unique in Canada” because while most municipalities have either an internal economic development department housed within the municipal government, or an independent not-for-profit economic development corporation, in Ottawa, “we have both”. Ottawa has attracted a great deal of attention in recent years for its reputation for developing innovative and successful forms of collaborative governance (Wolfe 2002; Paquet et al. 2004). Because “the city understands the benefits of working with the not-for-profit organizations that are more deeply embedded and closely aligned with the private sector” (confidential interview), it was instrumental in establishing the Ottawa Partnership (TOP), “a group of community leaders from the private and public sectors who provide strategic advice to the City of Ottawa on growing and sustaining the local economy”.\footnote{The Ottawa Life Sciences Council was moved into the OCRI offices in 2006. \url{www.ottawa.ca/city_hall/snapshots/economic_dev_en.html}.} The City of Ottawa’s Economic Development department funds the Ottawa Centre for Research and Innovation (OCRI), the Ottawa Life Sciences Council (OLSC), and Ottawa Tourism to undertake economic development activities on behalf of the local high tech, biosciences, and tourism sectors respectively, and deals internally with a range of other economic development issues such as event attraction, broadband access, and business improvement activities.

**Talentworks: The City of Ottawa’s Workforce Development Network**

It is of particular importance to this study that Talentworks, described in more detail below, emerged out of an initiative of the Ottawa Partnership, and was further developed by,
and continues to be housed in, the Ottawa Centre for Research and Innovation (OCRI). After the launch of Talentworks in 2001, the City of Ottawa approached it in 2002 to develop the Ottawa 20/20 Talent Plan, which was subsequently endorsed by the City of Ottawa Council as the official municipal workforce development strategy:

Talentworks...is an interesting governance arrangement. It was established as a City of Ottawa initiative to support their Talent Plan, so the City is very much a leader by the fact that it has plans to develop the workforce of the region as part of the municipal strategic planning process’. Talentworks is the hub. It does information gathering, strategic planning and facilitating all these partnerships, and obtains funding from the province and the feds [along] with City contributions. It asked OCRI as an economic development agency to house that function, so OCRI is housing Talentworks at the request of and with the financial support of the City of Ottawa” (confidential interview).

When it was functioning, Talentworks was delivered through a Secretariat that consisted essentially of one full-time Executive Director who conducted much of the initial research on the local labour market and attempted to build linkages among key workforce development actors in the region. Throughout the active years of Talentworks, however, funding was typically quite haphazard and the way in which Talentworks was funded tended to change every year. Early on, both HRSDC and MTCU provided initial Secretariat funding as well as project funding. In October 2001, HRDC approved $200,000 for the Secretariat and $300,000 for projects, and in August 2002, MTCU contributed $100,000. The City of Ottawa approved seed money of $250,000 in August of 2001 to establish a Secretariat of 3.5 staff, and subsequently provided a modest amount of core funding throughout Talentworks existence, from its early very active phase and well into its ‘dormant’ phase. Federal sources of funding dried up over time, and applying for project-based funding became very costly and onerous for the small skeleton staff that remained in place. As discussed in more detail below, the inability to attract either core or project-
based funding from HRSDC after the initial inception of Talentworks was attributed to Ottawa’s lack of a training board, which would have provided a mechanism through which both federal and provincial funding could flow. Talentworks was able to obtain some project funding from MTUC under the training board umbrella to conduct the regular activities of a training board including an annual Trends, Opportunities and Priorities Report and several smaller projects. In order to keep Talentworks ‘alive’, however, the City of Ottawa continued to fund it with a modest sum of $75,000 per year. As will be discussed in more detail below, however, like HR Matters in Hamilton, and to some extent, the CELC in Waterloo Region, one of the biggest obstacles to sustaining the momentum of Talentworks was the inability to secure core operational funding from federal or provincial governments.

As we will see, however, success in collaborative approaches to economic development belie underlying tensions in the local political economy that have so far precluded efforts to develop and sustain a community-wide workforce development agenda suggesting that governance success in one policy sector does not necessarily translate into other sectors. While the City of Ottawa and OCRI initially facilitated the development of a community-wide workforce development agenda, neither was able to sustain its momentum because Ottawa lacks the foundation of organized societal interest upon which workforce development efforts are built. While the high tech business community is cohesive and well-organized, the social welfare community is not, and workforce development actors from different sectors tend not to have linkages with each other. Needless to say, therefore, the lack of cross-sectoral linkages between economic development and social welfare actors was not particularly surprising.

Mapping the Local Labour Market

Though respondents in Ottawa echoed some of the same labour market issues as those in Hamilton and the Waterloo region, Ottawa labour market issues appear to be fewer

\footnote{It is not clear if the City continues to provide this modest core funding for Talentworks, but it did provide this funding throughout the time period of research despite the fact that Talentworks was already largely dormant by that time.}
and less urgent, the most pressing of which appear to be the integration of highly educated immigrants into the local workforce, and a mismatch in the tech sector, followed by projected shortages in skilled trades, and the need to improve educational upgrading services for low income workers and employment services for unemployed people. The dynamics of integrating foreign-trained professionals into the local workforce in Ottawa are similar to those in other cities smaller than Toronto, Montreal, and Vancouver that also attract a large number of immigrants, such as Hamilton and Kitchener-Waterloo. The situation in Ottawa differs, however, in the number of very highly educated people who choose to settle there.  

Table 6.3: Educational Attainment, City of Ottawa

<table>
<thead>
<tr>
<th>City of Ottawa</th>
<th>Population</th>
<th>Expressed as %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ages 25-34</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; High School</td>
<td>5,685</td>
<td>5.2</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>19,470</td>
<td>18.0</td>
</tr>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>4,085</td>
<td>3.4</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>25,460</td>
<td>23.5</td>
</tr>
<tr>
<td>University Degree</td>
<td>49,700</td>
<td>45.8</td>
</tr>
<tr>
<td><strong>Ages 35-64</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; High School</td>
<td>30,375</td>
<td>8.8</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>72,875</td>
<td>21.1</td>
</tr>
<tr>
<td>Skilled Trade, Apprenticeship</td>
<td>22,715</td>
<td>7.0</td>
</tr>
<tr>
<td>College Diploma or Certificate</td>
<td>70,170</td>
<td>20.4</td>
</tr>
<tr>
<td>University Degree</td>
<td>131,850</td>
<td>38.3</td>
</tr>
</tbody>
</table>


**Primary Local Labour Market Issues**

**Integrating Immigrants into the Local Economy**

While most cities vie to attract highly trained people, because Ottawa’s economy is concentrated in the public and ICT sectors, people with skills in other areas are less easily employed, and despite a high level of knowledge and experience, over 25% of university-

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121 In 2002, more than half of new immigrants held a university degree, and twice as many immigrants with PhDs settled in Ottawa as in other Canadian cities (Canadian Labour and Business Centre, World Skills and United Way/Centraide Ottawa (2003), 7, cited in Adey and Gagnon (2007)).
educated immigrants in Ottawa are employed in occupations that do not match their skill level, and recent immigrants to Ottawa are four times as likely to be unemployed as compared to their Canadian counterparts (Adey and Gagnon 2007). Several interviewees commented on the strategic importance of integrating immigrants into the Ottawa workforce, and “if we believe our projections in terms of how quickly we will be totally dependent on our immigrants coming to the city for our future workforce, then that has to be a priority”, and many felt that “we’re not doing enough” (confidential interview).

Displaced Tech Workers

The other most pressing labour market issue in Ottawa relates to the mismatch of workers in the high tech sector. On one hand, many people commented that the skills of even the most highly trained and educated tech workers become obsolete very quickly if they are not continually working directly with technological innovations as they emerge, and that “for a tech worker, if you’ve been unemployed for over a year, your skills are out of date”. When the tech “bubble burst” in the early 2000s, there was widespread unemployment in the tech sector, and “20,000 were laid off at Nortel alone” (confidential interview). Because of the “huge swings” in the technology sector in the last five years, “we still have several thousand tech workers who were laid off, many for the reason that they [were working with] a very focused technology that became obsolete”. As a result, many of these people have not yet been and “are not going to be re-engaged in the tech community” (confidential interview). On the other hand, “the demand side has started to pick up again” in the labour market for highly skilled tech workers with up-to-date technological knowledge, and “with our tech sector coming back, we want to make sure we have a flexible workforce” (confidential interview). Firms are not necessarily hiring people who lost their jobs because “they’d rather have a young, more energetic, less costly new graduate with up to date skills that they can mold – I agree it’s unfair but that’s the reality. Many of those few thousand people, that’s the reason they haven’t been re-integrated” (confidential interview).

Skilled Trades Shortages

Like most other communities in Canada –“Ottawa is not different than anywhere else in Canada” – several people mentioned projected shortages in skilled trades due to an aging workforce. Unlike local economies with strong manufacturing sectors like Hamilton and Kitchener-Waterloo, Ottawa does not require industrial tradespeople such as machinists
and tool and die makers, but more tradespeople for the local service economy such as construction workers, auto mechanics, plumbers and electricians; “notwithstanding the fact that the innovation part of our economy is built on our engineers and scientists, but the practical part of our local service economy is only going to function if we have people in the skilled trades”. Projected shortages in the health care sector, which draws its skill base from both the university and college systems, was mentioned as a particular concern.

**Poverty and Lack of Basic Skills**

Several people, primarily those in income support and employment services agencies, reported that “the low income are not well served in Ottawa…They are just not on the radar of anybody” (confidential interview). Upgrading for low income workers, employment services for unemployed people, and school-to-work transition for youth who are not post-secondary bound but who are not ready for the labour market, were thought to be comparatively poor. Though the poverty rate in Ottawa is relatively low, there is a concentration of poorly educated Canadians (45% have less than Grade 12) and recent immigrants (46% were born outside of Canada). There was no mention of other groups such as women, Aboriginals, people with disabilities, or older workers.

**Lack of a Central Workforce Development Mechanism**

Ultimately, however, the most pressing labour market issue for most people was the fragmentation, duplication, and lack of information-sharing and co-ordination among Ottawa’s workforce development actors. One interviewee put it most succinctly: “the challenge for us locally is to find a sustainable model. You asked me what are the three most important labour market issues? A really key issue is how do we sustain [Talentworks]?” (confidential interview). The following sections will give a brief overview of the main workforce development actors in Ottawa, and a discussion of the weakness of constituent networks in the region, followed by a more detailed discussion of the challenges Ottawa has faced in the attempt to establish a regionally sensitive, community-driven workforce development strategy.
Key Workforce Intermediaries and Constituent Networks

Ottawa appears to be as equally well-serviced as the other Ontario communities in this study, with the same constellation of core labour market actors – an MTCU Apprenticeship Office, the Service Canada office, Ontario Works, adult and youth Job Connect offices, public and Catholic school boards, in addition to two community colleges (Algonquin for Anglophone and La Cite Collegiale for Francophone students). Like their college counterparts in Hamilton and Kitchener-Waterloo, Algonquin and La Cité Collégiale deliver a variety of education and training programs ranging from academic upgrading, to regular diploma programs, apprenticeships, and corporate training. Algonquin, like Mohawk, is also the location of one of the CIITE pilot programs. Beyond these services, which are replicated in all urban regions of a similar size, three other major workforce development actors, the YMCA, the United Way, and LASI World Skills, were identified in the course of the interviews and include: Though there are a few other smaller employment service providers in the Ottawa region, such as the John Howard Society, none other than those outlined above were mentioned in the course of the Ottawa interviews. Of particular note, unlike Hamilton and Kitchener-Waterloo, however, Ottawa has neither a training board, nor a business-education partnership.

Employment services in Ottawa tend to be delivered more through charitable agencies than government-funded social service delivery agencies than in Hamilton or Waterloo region.¹²² The National Capital Region YMCA delivers a broad range of employment programs, funded variously by Service Canada and MTCU, including employment counseling and resource centres, the Job Connect program, a language assessment and referral centre, the Ontario Self-Employment Benefit program, and youth entrepreneurship and internship programs. The United Way/Centraide is the other large

¹²² While the YMCA does deliver employment services in Hamilton it was not identified as a major player in the snowball sampling process. Lutherwood in Kitchener-Waterloo, is a social service delivery agency that receives some charitable donations, and some project-based funding, but receives the vast majority of its core funding from a combination of MTCU, MCSS, and Service Canada. In contrast, the Ottawa Capital Region YMCA, one of the main employment service providers in Ottawa, is a registered charity that relies on funding from the United Way, donations and volunteers, in addition to government funded employment services.
charitable organization active in employment services in Ottawa. Rather than delivering programs and services itself, however, it partners with other agencies and stakeholders to support several targeted community-wide initiatives. It has several different initiatives aimed at youth who are early school-leavers (the School Engagement Leadership Initiative), and people with disabilities (the Labour Market Inclusion Initiative), but the most relevant to this research are two interrelated initiatives aimed at integrating immigrants into the local workforce: the Internationally Trained Workers Partnership (ITWP) and Hire Immigrants Ottawa (HIO).

**Hire Immigrants Ottawa (HIO)**

Recent research on the impact of immigrant networks on the provision of city services in has found that “Ottawa has been somewhat unusual among Canadian cities in having a high degree of institutionalized coordination among the immigrant service agencies” which has allowed them to play important roles in getting immigrant issues on the local policy agenda (Doloreux and Andrew 2008, 12). 123 The Internationally Trained Workers Partnership (ITWP) formed in 2002, is a formal network of six ‘community partners’ including the United Way/Centraide Ottawa, the Ottawa Chamber of Commerce, the Regroupement des gens d’affaires de la Capitale nationales (RGA), LASI World Skills, the City of Ottawa, and OCRI, who developed a framework to co-ordinate services that facilitate the integration of internationally trained workers into the Ottawa labour market. In 2006, the IWTP launched Hire Immigrants Ottawa (HIO), a community-wide strategic initiative aimed at actively engaging employers to hire more skilled immigrants into positions appropriate to their existing skills sets. In 2007, HIO launched the “Employer Council of Champions”, made up of large, small and medium sized employers from both the public and private sectors that were selected to champion the issue of hiring skilled immigrants within their organizations and across their respective networks. HIO was just getting underway when this research was conducted so its internal dynamics could not be observed. However,

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123 For example, LASI World Skills is a coalition of six Local Agencies Serving Immigrants, established in 1997 to “respond to the needs of the local labour market while promoting the skills and talents of New Canadians” (www.ottawa-worldskills.org). Rather than delivering services itself, it facilitates partnerships with all three levels of government and other social service agencies to meet the skills assessment and accreditation, language training, and employment needs of new immigrants.
it shares some similarities with the WRIEN network in Kitchener-Waterloo. Like WRIEN, the ITWP is governed by a Steering Committee drawn from a variety of community stakeholders, and an Advisory Committee representing “three levels of government, policy, labour, educational institutions, and immigrant service delivery organizations” (Adey and Gagnon 2007, 55).

Also like WRIEN, HIO is intended to build linkages between employers, immigrant agencies and other stakeholders to create employment opportunities for skilled immigrants in Ottawa (www.hireimmigrantsottawa.ca). Unlike WRIEN, however, whose primary mandate is to attract skilled and highly educated foreign trained professionals for the purposes of regional economic development, HIO appears to be more focused on social welfare and equity considerations of improving the quality of life for recent immigrants.

**The Ottawa Talent Initiative (OTI)**

Another set of local workforce development actors are involved in employment support and services for unemployed tech workers, but do not appear to have particularly close linkages with one another. The Ottawa Talent Initiative (OTI) – a “tech workers, self-organized, self-help network” was formed in 2003 by a diverse group of smaller occupation and sector-specific networks of technology workers affected by the downturn in the tech sector in the early 2000s. While its goal was to disband once unemployed tech workers had been re-integrated into the local workforce, a sizable number of these workers remain unemployed, despite the recent improvements in the tech labour market. The OTI provides a forum for peer-to-peer networking and support, sharing of employment and training opportunities, and job experience placements with employers (www.ottawatalentinitiative.ca). Vitesse Re-Skilling is another independent not-for-profit organization created by the National Research Council (NRC), the University of Ottawa, and Carleton University to provide upgrading to under-employed and unemployed professionals in knowledge-based sectors such as life sciences, biotech, and ICT. Using existing educational resources in local universities, colleges and research institutes, Vitesse seeks to address skill shortages and unemployment in technology-intensive sectors by providing unemployed professionals with the skills assessments, upgrading, and employment
experiences, and by linking them with employers who need their skills. A large proportion of its clientele is foreign-trained engineers who are the most highly represented because they often lack Canadian experience (www.vitesse.ca).

**Talentworks**

Spearheaded by the City of Ottawa and the Ottawa Partnership, the concept for Talentworks was approved in late 2000, and launched in 2001. It was intended as a collaborative community-based initiative to identify “talent pool gaps”, develop pilot projects directed at the development of the local workforce, and “to integrate the supply and demand sides of the economic development planning process at the community level” by creating “one table and one voice for workforce initiatives” (www.talentworks.ca). Armed with substantial funding from all three levels of government, and housed in and managed by OCRI, Talentworks was charged with “building Ottawa’s talent pool by providing strategic and integrated support to targeted sectors” by facilitating collaboration between business, government, and community partners (Ottawa Works Report 3 on OCRI website). Matching supply and demand sides of the labour market were explicitly linked to municipal economic development. Talentworks’ four broad strategic priorities outlined in its mandate reflect the hallmarks of a regionally sensitive community-wide workforce development strategy as outlined in Chapter 1. These include the following strategic priorities: to develop, attract, and retain qualified workers for targeted sectors of the local economy; to support the identified needs of employers and job-seekers; to develop project plans and deliver customized projects matched to economic development priorities; to integrate and disseminate labour market information; and to influence and improve strategic planning and economic development.

In short, Talentworks sought to “ensure that as a region we are able to look broadly at the issues that affect the region and respond to them on a community level…and that there is a cross-sectoral and broad-based awareness and response to labour market issues”

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124 Vitesse will also provide sectoral needs analyses for third parties such as government and associations, on a fee for service basis.

125 As mentioned above, the City of Ottawa approved seed money of $250,000 in August of 2001 to establish a Secretariat of 3.5 staff. In October 2001, HRDC approved $200,000 for the Secretariat and $300,000 for projects, and in August 2002, MTCU contributed $100,000 (www.ocri.ca/talentworks/milestones.asp).

126 See www.ocri.ca/talentworks/missiongoals.asp.
(confidential interview, emphasis added). Toward that end, Talentworks was charged by the City of Ottawa to develop the 20/20 Talent Plan, a strategy document which was unanimously endorsed by the City Council in April of 2003. The Talentworks Steering Committee was – on the face of it – broadly representative of the workforce development community, and made up of senior government representatives from the funding organizations, firms in the major export sectors, and representatives from the health care sector, school boards, colleges and universities, employment service providers, economic development agencies, the Greater Ottawa Chamber of Commerce, le Regroupement des gens d'affaires, and labour.

The Workforce Development “Desert”: Fragmented Networks in Ottawa

Ottawa is often lauded as a model of community-led economic development underpinned by robust social networks and civic capital (Wolfe and Nelles 2008). Also, it appears to have levels of employment and training services similar to other communities of the same size. What is puzzling, therefore, is the paucity of networks and linkages between workforce development actors in Ottawa. During interviews, few people were able to identify more than one or two key local workforce development actors and tended to admit their lack of knowledge; “I must say that I don’t personally have a clear sense of the range of actors in the community doing things related to workforce development. There are many groups that are independent and outside of the Talentworks table” (confidential interview). The only network that was consistently identified by respondents was the ITWP/HIO network involving both the United Way and LASI World Skills, which also has links with Job Connect and the OTI.

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127 At its most ambitious, some people talked about the idea of developing an “integrated workforce infrastructure” where local firms would be “encouraged” to re-direct a portion of their training budget into Talentworks; “if you could ever arrive at that mythical place, that would be a massive revenue stream if you could get 1% of the training budget...all of a sudden you’d have a big pool of money and you could get really serious about looking at regional workforce issues on a collective basis” (confidential interview). The City of Ottawa never supported it, however, because it didn’t think it was feasible.
Those who were more knowledgeable emphasized the lack of linkages between different actors and agencies. Not only is it a “desert, a labour-management desert in Ottawa”, even the employment service providers do not network for the purposes of information-sharing and service co-ordination the way they do in Hamilton and Kitchener-Waterloo. Several people commented on how difficult it is to keep up to date on local programs and services, “who they’re for and even promoting them. I would describe [local employment service delivery] as poor to medium as I find the comprehensive approach is not there”, and that “every moment of my day is devoted to collecting, updating and streamlining information” (confidential interviews). Because there are no information-sharing or service coordination networks, agencies do not know what other agencies are doing and “the problem is that there is a complete disconnect” (confidential interview). Instead of broad, collaborative networks, agencies tend to have ‘one-off’ functional relationships for client cross-referral, where “we go out twice a year to meet with their caseworkers to make sure they’re current with the programs and service we offer” (confidential interview). Employment services in Ottawa are described as “very fragmented”, and “not well planned”, and “I don’t see a lot of collaboration in this whole area in whatever sector” (confidential interviews). Services tend to be duplicated because “everybody is doing a little of their own thing”. People report that there are a lot of assessment and resume writing services, resource centres, and job search workshops, but not enough actual training programs.

The Double Failure of the Training Board and Talentworks

This lack of information-sharing and co-ordination between workforce development actors and service providers would come as no surprise to people working in the field in Ottawa. The first priority area outlined in Ottawa’s Workforce Development Strategy, the third report produced by Talentworks as a background document for the City of Ottawa’s Talent Plan, was to improve the “insufficient linkages and partnerships” among local workforce development actors (2002, v). The big story in Ottawa is not the number and complexity of its labour market issues, or the plethora of service providers competing for scarce resources, but its failure to sustain a central workforce development network. While Ottawa can take credit for being able to articulate by far the most ambitious and comprehensive local workforce development strategy of the three cities in this study, it can also accept the blame
for the poorest performance. It has been unable to sustain both a local training board, and the formal, community-driven workforce development governance mechanism, known as Talentworks.

Under the Local Board initiative launched in 1994, a network of 25 local boards was established across Ontario. Since then, three boards have been disbanded, including Ottawa in 1997. It was difficult to establish the underlying reasons for the failure of the Ottawa Training Board. Either interviewees were too far removed from the process, and had no knowledge, or were too close to the process, and unwilling to disclose information. Regardless of the reasons for the failure, workforce development actors in the region felt that its absence left a serious vacuum in the co-ordination of local workforce development efforts. As alluded to above, many expressed the sentiment that “it’s crazy that we don’t have a training board in Ottawa – it’s awful that Ottawa doesn’t have one” so “the City tried to create something similar, so they created Talentworks” (confidential interview).

What started out with great aplomb and high expectations for its innovative approach to local human resource planning – it received the first ever Workforce Development Award from the Economic Developers Council of Ontario - is now hollow at its core, with an uncertain prognosis for recovery. The technical entity of Talentworks still exists, but has been largely “on ice” since at least 2005. At the time of the interviews for this study, people reported that “Talentworks has lost a lot if its relevance”. When it was first established “there were 45 to 50 people at a meeting, and now they’re lucky if they can get five” and “I was late and was preparing to walk into this 200 seat auditorium, and there were maybe 12 to 15 people in the room, none of whom I knew” (confidential interviews). People report that currently, “there is no Ottawa training network. There is no table”, and the failure – “I’m going to use the word failure even though it’s a strong word” - of Talentworks has left “a void in the community of Ottawa in setting up comprehensive training development strategies” (confidential interview). The current workforce development climate in Ottawa is described as “fractured” and “there’s reasons for that” (confidential interview). Indeed, this research on local workforce development in efforts in Ottawa reveals a large number of reasons for this failure to sustain a central governance structure that underscore the difficulty of establishing and sustaining community-led and community-wide - urban policy initiatives in Ontario. People were very forthcoming during
the course of the interviews about their opinions and experiences around the Talentworks initiative. Their responses can be grouped into four primary reasons to account for its essential failure.

**Lack of Champions**

One of the most basic rules in politics is to accept credit and avoid blame wherever possible. Despite the fanfare and attention surrounding the launch of Talentworks, and the significant support from all three levels of government and the Ottawa Partnership, one of the most often cited reasons for its lack of success was that it lacked a strong champion that was willing to support it over the long-term. During the course of the research, representatives from all levels of government, as well as from the workforce development community, were interviewed, and each had a different view of which level should take leadership and primary responsibility for the initiative. Some felt that the responsibility lay with the municipality, and that “it should be coming from the city. It should be the mayor who champions workforce development and keeps it going” (confidential interview). In actual fact, the city has supported Talentworks all along with modest core funding to keep the initiative alive, “it is only through the will of the City and the OCRI Board of Directors that Talentworks remains in place, though mostly dormant” (confidential interview). Admittedly, however, it has been difficult to sustain political momentum at City Hall and while “there’s certainly a strong recognition that workforce development and related issues are important, if we think of all the activities that we’ve undertaken collectively with all the agencies [in the city], I would say it has not been a high priority” (confidential interview).

Others expressed frustration that the federal government would not make a commitment to long-term funding, and expressed hope that funds would be made available from MTCU once new policies under the LMDA were unveiled. Still others felt that “the community really wants to see a commitment from the three levels of government and they don’t see it”. Another remarked that “everyone at the time seemed to be saying ‘it shouldn’t be the City, it shouldn’t be the province and it shouldn’t be the feds’, it should be some fourth kind of mixture of the three” (confidential interview). The lack of government leadership was attributed to the weak linkages among governmental actors. Talentworks “lost their contacts with the province and with the feds. A lot of success is contacts and networking…you’ve got to know how the system works, who effects change, those who can
modify agendas.” The perceived avoidance of responsibility by all three levels of government, and lack of sustained government political and financial support for long-term planning was seen to leave Talentworks without the mandate and the legitimacy it needed; “through all of that I think they’ve lost contact with those people capable of effecting change, and they’ve also lost credibility. If I asked an Ottawa citizen ‘what has Talentworks done for you?’ they wouldn’t be able to answer.”

Lack of funding - and conflict over the lack of funding

Related to the lack of a strong champion for Talentworks, the lack of sustainable core funding was reported by many as another key factor in Talentworks’ demise. Political momentum was seen to be inextricably linked to financial security, and “one of the reasons for the failure of Talentworks…has been that since 2005/2006, Talentworks has really spent the bulk of its energies trying to develop a sustainable core funding model. The city has always been there with $75,000 but they have been unsuccessful at getting core funding from the province or the federal government” (confidential interview). The conflict centred largely around the lack of a funding mechanism. Because Ottawa did not have a training board, Talentworks argued that it should receive funding in its stead, but federal and provincial funders argued that it could not be funded as a training board, because it was not a training board. They also argued that other groups in the community managed to secure project-based funding, and that Talentworks should be no exception; “HRSDC and MTCU always said ‘if you want to do strategy, you can do strategy as long as you package it as a project. We can’t write you a cheque to provide for 1.5 staff, but we can fund projects where you have identified community needs and you can articulate a project around that. I never really saw that as a problem”. There was also conflict over the amount of core funding that Talentworks was seeking, “there were people around the Talentworks table who thought that $250,000 would provide enough money to think about the main [labour market] issues, but I can tell you from a funding perspective, that would be rich…it is a lot of money really for something that ultimately isn't tied to any substantially real specific outcome.”

Perceived lack of inclusion: workforce development agenda dominated by economic development actors

A key theme that arose in the other two cases, but was felt most acutely in Ottawa, is the political complexity that surrounds the determination of who has the mandate and
legitimacy to take the lead on community-wide workforce development issues; in other words, the decision on where the primary workforce development network should be housed. Many emphasized the importance of sustaining the commitment of all workforce development actors and that “you have to have buy-in – that’s key. You can’t just say [a particular institution] is going to be at the helm and it’s going to work, because it won’t because everybody around that table has to be an equal partner” (confidential interview, emphasis added). This underscores the difficulty of who decides where the workforce development initiative should be housed, as well as the difficulty of housing the workforce development initiative within an existing agency or institution. While community-driven initiatives are by definition generated, sustained and located within the community, the case of Talentworks suggests that decisions about who hosts the initiative appear to be fraught with political conflict.

From the outset, Talentworks was not only closely allied with OCRI, it was also perceived to be closely allied with OCRI which “really carried the banner…for the Talent Plan, and specifically with Talentworks” (confidential interview). It is both housed within and governed by OCRI, where “the direction is really set, that’s where there’s responsibility – at the OCRI Board of Directors. Talentworks is a division of OCRI and it doesn’t have its own board. It gets guidance through its Steering Committee but that’s not a decision-making body. The organization that enters into contracts – applies for it, manages it, and is accountable to its board – is OCRI” (confidential interview). While OCRI has accepted much of the credit for taking the lead on Talentworks, it has also seems to have been apportioned a share of the blame for its failure, and “I think the fact that Talentworks was managed within OCRI created its own set of baggage” (confidential interview). While “OCRI made an effort not to be linked just to the high tech sector when it came to the Talentworks project…I don’t think they succeeded” (confidential interview). More pointedly, another interviewee expressed the opinion that OCRI had attempted to dominate the workforce development agenda in Ottawa; “I think OCRI has been trying to do things for themselves and I believe that is one of the reasons [Talentworks] failed, because people saw OCRI trying to represent the whole of the training community and that caused damage” (confidential interview).
Many people felt that OCRI’s reputation as an economic development association affiliated with Ottawa’s high tech community impaired its ability to speak for the workforce development community as a whole. While “the intent of Talentworks was always to set up a community-wide initiative that would look at the whole spectrum of workforce development issues, whether it’s high tech, low tech, semi-skilled or whatever”, the fact that Talentworks became part of OCRI “meant that many organizations in the community…saw Talentworks as something that was specifically for the tech sector, and it made it more difficult to engage some of those organizations in the community” (confidential interview). Before the tech downturn of the early 2000s “the high tech sector was a real driving force behind this initiative” and “there was a desire among local employers to work collaboratively together with the economic development agencies and with the Global Marketing Division in OCRI to attract more skilled tech workers to the region” (confidential interview). Because of this association with the high tech sector, Talentworks was seen variously as having a “heavy high tech emphasis”, to be “too far from the public”, and as a “‘pauvre enfant’ of OCRI”; “The OCRI orientation is tech, tech, tech. I agree tech is important but there are other things” (confidential interviews).

Because of OCRI’s high tech emphasis, it was not seen to be inclusive of the larger local economic community. Similarly, Talentworks was not seen by some to be inclusive of the larger workforce development community and it “didn’t work because they didn’t have support from most of the community” (confidential interview). Several different interviewees emphasized that the active participation of key workforce development actors including immigrants, local employment service delivery agencies, and unions, was missing:

our recommendation to City Council was that Talentworks…had to be talent-oriented and should espouse a similar structure to the local training board. Get labour back at the table, get business back at the table…and that’s not being done right now”; “there were no immigrants or local agencies around the table which was unacceptable”; and “we can’t just have a closed shop and deal without labour at the table. It’s ridiculous. There’s no reason to control labour (confidential interview)

At the same time, somewhat ironically, and also echoed in the other cases in this study, Talentworks was unable to sustain employer engagement as well. Even though large tech firms such as Cognos and Nortel were on the Talentworks Steering Committee, the initiative did not gain widespread traction throughout the larger tech community, partly
perhaps because, as some reported, it lacked sufficient funding to do advertising and outreach, but also because “our corporate leadership is probably no different from many other communities. The majority are focused on their own business and their own priorities – head down. They don’t look up to broader community issues” (confidential interview).

There was also evidence of competing discourses over the purpose, direction, and delivery systems for worker training. Some Talentworks participants emphasized that training should be determined and delivered primarily according to the needs to employers, and that Talentworks “operates from the premise that the skills you’re trying to develop are intended to match the economic requirements of industry or whatever sectors the work is geared to at the community level…\textit{You bring the demand and supply sides together though a third entity which is the actual training organization}” (confidential interviews). Furthermore, training should be delivered in the most agile and efficient way possible in the shortest time, and where “colleges and universities are typically not able to respond that quickly”, “a healthy private sector training environment is able to respond”. While the language of community-led workforce development, such as matching supply and demand sides of the local labour market through the intervention of workforce intermediaries, this approach assumes the efficiency of private sector training providers, and makes no mention of the social welfare side of the equation – the publicly-funded employment service delivery agencies, or of under- or unemployed workers who may require long-term skill development.

In contrast, other workforce development actors had quite different opinions about how training should be delivered, and emphasized the poor quality, inefficiency, and fragmentation that results when private trainers compete for local training delivery contracts. Commenting on HRSDC’s decision to contract out needs assessments and employment counseling to private training deliverers and career colleges, several respondents had “horror stories about these companies taking charge not knowing what the business of re-employment was”, and that “I guess someone said ‘let’s privatize this to make it more efficient’, but the proliferation of all these agencies has just created another level”. Another commented that employment service providers and income support agencies are not very visible and that “the low income are not well-served in Ottawa. They’re just not on the radar of anybody.” Yet another commented that one of factors that contributed to the demise of the training board, surfaced again at Talentworks where “everybody was trying to find out
where those dollars were for training and how to access them”, and that “a lot of the trust is missing because…we are talking about a specific pot of money that’s not going to get any bigger and a lot of the players around the table were trying to access limited amounts of money” (confidential interviews).

**Questionable Feasibility**

In the end, as Stone (1989) emphasizes, an initiative has to be feasible in order to get off the ground and keep its momentum; because “unless you have something concrete to work on, people lose interest” (confidential interview). While “its great to be able to blue sky and to think about future strategy”, several people emphasized that “at the end of the day, we want to see some results, rubber has to hit the road, we want to see some tangible outcomes” (confidential interview). The final criticism leveled at Talentworks – justified or not - was that it lacked a concrete set of actionable, feasible, and measurable recommendations that people could go about implementing. While “you might have all these recommendations”, if “they are too lofty or too high level, it’s difficult to rally people and say, ok, now let’s work on them” (confidential interview). Agencies are constrained by the bureaucracies that fund them, and “there is policy setting at the provincial level and at the federal level, and you don’t have control over these pieces...You need to understand the local labour market...but you need concrete recommendations. I went through all the research studies that were done through Talentworks...and I put all the recommendations on sheets of paper and looked...there were no concrete ideas with any of them” (confidential interview). Because Talentworks spent so much time and effort trying to secure core-funding rather than “identifying funding opportunities and going after them” (confidential interview), other groups appear to be “charging ahead” and taking over where Talentworks was unsuccessful, leaving Talentworks behind.

**Lack of Sustained Political Support**

It is worth commenting on the lack of political support that Talentworks was able to garner from local, provincial, and federal levels of government, a deep irony considering the amount of initial fanfare and large amounts of funding that it was able to attract at its inception. Political leadership from the mayor, local MPPs and local MPs was not mentioned in any interviews as having a positive impact on the survival of Talentworks. Support at the municipal level tended to be from bureaucratic staff at the city rather than
from the mayor and council who were not mentioned as relevant to Talentworks activities. Local MPs did not advocate for Talentworks in the sustained conflicts with HRSDC over core funding; in fact, it is not clear whether or not MPs were even aware of the situation. Though Talentworks did receive project funding from the provincial government through MTCU, provincial MPPs, including the Provincial Premier, appeared to be no more involved that their federal counterparts.

**Local Autonomy and Social Inclusion in Ottawa**

Using the framework outlined in detail in Chapter 3, we can draw some conclusions about how the two questions about local autonomy and social inclusion play out workforce development activities in Ottawa.

**Measuring Local Autonomy**

**Table 6.4: Local Autonomy Indicators, City of Ottawa**

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<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Feasible Agenda</td>
<td>Formal Workforce Development Plan Yes</td>
</tr>
<tr>
<td>Governance</td>
<td>Central Workforce Development Governance Mechanism Talentworks</td>
</tr>
<tr>
<td>Institutional Locus</td>
<td>OCRI</td>
</tr>
<tr>
<td>Role of Local Government</td>
<td>Political Support Moderate</td>
</tr>
<tr>
<td>Financial Support</td>
<td>Strong</td>
</tr>
<tr>
<td>Network Membership</td>
<td>Constituent Groups OCRI</td>
</tr>
<tr>
<td>Network Structure</td>
<td>Formal/Informal Formal</td>
</tr>
<tr>
<td>Open/Closed</td>
<td>Unclear</td>
</tr>
<tr>
<td>Intergovernmental Relations</td>
<td>Role of MPs and MPPs Weak</td>
</tr>
<tr>
<td>Role of Local Federal and Provincial Government Representatives</td>
<td>Moderate</td>
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<tr>
<td>Role of Non-Local Federal and Provincial Government Representatives</td>
<td>Weak</td>
</tr>
<tr>
<td>Role of Non-Local Federal and Provincial Government Representatives</td>
<td>Weak</td>
</tr>
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</table>
Talentworks had the most auspicious beginning of the workforce development networks in the three cities examined here. Not only was Talentworks formally part of the municipal economic development strategy, and formally housed within OCRI, it also obtained a small but sustained amount of core funding from the municipal government that continued even after it’s effective demise in the hopes that it could be resuscitated. Political support from the municipality was only moderate because no one at the city of Ottawa was willing to champion the workforce development agenda and drive it forward. The city provided funding for a place for workforce development actors to meet, but the rest was up to the community, which proved incapable of carrying the workforce development agenda forward. The Ottawa case is also noteworthy for the lack of support it received from governmental actors. Apart from the somewhat passive support of the City of Ottawa, no MPs, MPPs, local or non-local federal and provincial government representatives were mentioned as influential in establishing or sustaining the work of Talentworks.

Talentworks never really got off the ground because even from the outset it lacked both top-down and bottom-up support. From a bottom-up perspective, only one identifiable constituent network – the economic development interests of high tech firms represented by OCRI – was actively involved in Talentworks. From a top-down perspective, after the fanfare of its initial launch, and beyond a small amount of core funding and a regular place to meet, Talentworks could count on few champions and little political support – governmental or otherwise – to see it through its early, most vulnerable days. It can be concluded, therefore, that Ottawa demonstrated little local autonomy. While it set out to chart its own course for workforce development, it lacked both the bottom-up and top-down impetus to sustain it. Its failure, however, is not due to the absence of policy support from other levels of government alone, but also to the inability of societal interests to self-organize for the purposes of collaborative community-wide development.

Measuring Social Inclusion

While, as we have seen, economic development interests are very well-organized in Ottawa under the auspices of OCRI, the same cannot be said for social welfare interests. In
fact, the organization of social welfare interests is conspicuous by its absence, and stands in
sharp contrast to the well-developed social welfare networks in Hamilton and the Waterloo
Region. Employment service providers and educational institutions had one-off individual
relationships with each other, but no central constituent network. At the same time, Ottawa
lacked civic champions and boundary spanners who were willing to promote the
Talentworks agenda and facilitate linkages between diverse community players. Ottawa also
lacks engaged and influential labour market intermediaries. Algonquin College delivers the
same array of education and training services as other colleges in cities of comparable size,
but unlike Mohawk and Conestoga Colleges, is not actively engaged in the development of
community-wide

Table 6.5: Social Inclusion Indicators, City of Ottawa

<table>
<thead>
<tr>
<th>ELEMENTS OF THE DEPENDENT VARIABLE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization of Societal Interests</strong></td>
<td>Organization of Economic Development Interests</td>
</tr>
<tr>
<td></td>
<td>Organization of Social Welfare Interests</td>
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<tr>
<td><strong>Leadership</strong></td>
<td>Civic Champions</td>
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<td></td>
<td>Boundary Spanners</td>
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<tr>
<td><strong>Active Intermediaries</strong></td>
<td>Community College</td>
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<td></td>
<td>Training Board</td>
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<tr>
<td></td>
<td>Other</td>
</tr>
<tr>
<td><strong>Dominant Discourse</strong></td>
<td>Economic Development</td>
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<tr>
<td><strong>Network Linkages</strong></td>
<td>Cross-Membership in Constituent Networks</td>
</tr>
<tr>
<td><strong>Network Configuration</strong></td>
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</table>

workforce development activities. It was also unable to sustain a local training board. The
institutional locus of Talentworks within OCRI resulted in its being identified with narrow
high tech economic development interests, which negatively affected its credibility in the
larger economic community. Coupled with the absence of organized social welfare interests,
Ottawa’s workforce development efforts cannot be described as socially inclusive.
Summary

Ironically, the most ambitious workforce development agenda – and the largest expenditure of political and economic resources – appeared to have met with the least success. Workforce development networks in Ottawa are described here as fragmented because of the failure of not one, but two attempts to establish a central workforce development mechanism, coupled with a lack of constituent networks among workforce development actors. While the private not-for-profit economic development organization, OCRI, is well-organized and has formal links with the City of Ottawa, there appear to be no similar networks of employment services providers, educational institutions, and other social service organizations, except for the IWTP/HIO network that, like WRIEN in Waterloo region, is aimed exclusively at foreign-trained professionals.

The dilemma that emerged in the Hamilton and Waterloo Region cases emerges in a very different way in Ottawa. Hamilton and Waterloo region appear to have the strong ‘social capital’ upon which constituent networks are built, but appear to lack political support at both the provincial and municipal level, as well as financial security in the form of core funding. In contrast, Ottawa had a high degree of initial political support, primarily from the City of Ottawa, and a sizable amount of initial funding, but appears to lack the strong and positive working relationships that underpin the development of constituent networks of workforce development actors. The lack of linkages between workforce development actors in Ottawa may help to account for why employment service providers did not complain about competition for project-based funding. If they did not speak with each other, they could not know what funding they were competing for.
Chapter 7

Comparing Workforce Development Networks in Hamilton, Waterloo Region, and Ottawa

“There’s nothing to stop interested stakeholders in [this] city from getting together and rolling up their sleeves and trying to think of local solutions. We have to prioritize, and focus our energies and go after it.”

Confidential interview

Introduction

The discussion now shifts to a comparative analysis of the empirical results of the three cases studies. To recap, the core research questions that inform this study of local workforce development in medium-sized Ontario cities attempt to uncover evidence of local autonomy to make their own policy decisions and community-wide social inclusion of different interests and agendas. This chapter compares the results for each case study in relation to the two questions outlined at the beginning of the study. It analyzes local autonomy, or the political agency that local communities have to chart their own courses for economic and social development by determining first if there is evidence of workforce development activity in Ontario cities, and second, if there is variation in these activities. It analyzes social inclusion by examining the patterns of interaction between organized societal interests at the local level, and offers some observations about the extent to which local communities attempt to integrate social welfare and economic development considerations. The chapter concludes with some observations about network capacity based on Clark and Gaile’s institutional framework typology.
Measuring Local Autonomy

Variation in Local Workforce Development Activities

The local autonomy question seeks to uncover evidence of political agency, defined as the ability for individual cities to establish their own strategic approaches to workforce development, in each of the three cities under examination. To recap, the local autonomy question asks if there is variation in the workforce development activities across the three cities. In relation to the three theoretical explanations under examination in this study, a lack of variation in workforce development networks would support the literature that emphasizes macro-institutional constraints, whereas variation in workforce development networks would suggest that there is some measure of autonomy to develop strategic workforce development plans. The ‘macro-institutional constraints’ literature would predict either that autonomous networks will not form, and the critique of neo-liberalism literature would predict that what networks do form will be the patchy and fragmented, and reflect the dominance of economic development interests over social welfare ones.

Drawing from arguments about local political agency in the urban governance literature, which emphasizes the ability of cities to make choices about how to address their own economic and social issues, it was predicted that there will be variation in the strategies that the three cities create to deal with the development of their workforces. It was hypothesized that these activities would vary according to the institutionalization of workforce development networks in each of the three cities. The institutionalization of workforce development networks was measured according to the following elements:

- feasible agenda
- governance mechanisms
- the role of local government
- network membership
- network structure
- intergovernmental relations
Table 7.1 provides a summary of the key findings of each of the three cases studies, which indicate that there is a great deal of variation in workforce development activities across the three communities.

**Table 7.1: Characterizing Variation in Local Workforce Development Activities**

<table>
<thead>
<tr>
<th>Elements of the Dependent Variable</th>
<th>Hamilton</th>
<th>K-W</th>
<th>Ottawa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasible Agenda</td>
<td>Formal Workforce Development Plan</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Governance Mechanism</td>
<td>Central Workforce Development Governance Mechanism</td>
<td>HR Matters</td>
<td>CELC WRIEN</td>
</tr>
<tr>
<td></td>
<td>Institutional Locus</td>
<td>IEC</td>
<td>None</td>
</tr>
<tr>
<td>Role of Local Government</td>
<td>Political Support</td>
<td>Moderate</td>
<td>Weak</td>
</tr>
<tr>
<td></td>
<td>Financial Support</td>
<td>Strong</td>
<td>Weak</td>
</tr>
<tr>
<td>Network Membership</td>
<td>Constituent Groups</td>
<td>IEC, HTAB, IEPC</td>
<td>Communitech, WRIEN, CELC</td>
</tr>
<tr>
<td>Network Structure</td>
<td>Formal/Informal</td>
<td>Formal</td>
<td>Bifurcated</td>
</tr>
<tr>
<td></td>
<td>Open/Closed</td>
<td>Open</td>
<td>Closed</td>
</tr>
<tr>
<td>Intergovernmental Relations</td>
<td>Role of MPs and MPPs</td>
<td>Weak</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Role of Local Government Representatives</td>
<td>Strong</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Role of Non-Local Government Representatives</td>
<td>Weak</td>
<td>Weak</td>
</tr>
</tbody>
</table>

**Feasible Agendas and the Role of Local Government**

Results indicate that Hamilton and Ottawa both had formal strategic workforce development plans, as well as initial political support from local government for these initiatives. In each of these communities, workforce development was an explicit part of the municipal strategic planning process, and also in each case, there was core funding provided by the municipal government to support the establishment of a central workforce development network. In Hamilton, The HR Matters Steering Committee, made up of a diverse array of local labour market actors, received funding and support from the City of Hamilton’s Economic Development Department to develop “HR Matters: Hamilton’s
Talent Plan”. Referred to as “a collaborative workforce development plan for our community”, Hamilton’s Talent Plan” was launched in 2003, supported by the HR Matters working group that is housed in the offices of the Industry-Education Council (IEC), and met regularly until at least 2006 (www.iechamilton.ca/hrmatters.php). In Ottawa, Talentworks emerged out of an initiative of The Ottawa Partnership (TOP), was further developed by the Ottawa Centre for Research and Innovation (OCRI), and officially launched in 2001, at which time it received funding from the City of Ottawa and the Human Resource Centre Canada (HRCC), and by MTCU in 2002. Also in 2002, the City of Ottawa approached Talentworks to develop the “Ottawa 20/20 Talent Plan” which was subsequently endorsed by the City of Ottawa Council as the official municipal workforce development strategy. In both cases, the workforce development initiative enjoyed political support in the form of core funding and brief attention from municipal politicians. In both the Hamilton and Ottawa cases, however, the municipal political momentum was not sustained, and after the initial launch of each initiative, political support slowly attenuated as other municipal issues moved their way up the political agenda. No community-wide strategic workforce development agenda has to date been attempted in the Waterloo region.

Constituent Networks

The findings of this study suggest that what we refer to here as “constituent networks” provide an important intermediary mechanism that supports the establishment of larger, community-wide networks. Each community has at least two identifiable constituent networks that organize local sets of workforce development actors. In Hamilton, the Hamilton Training and Advisory Board (HTAB), the Industry-Education Council (IEC) and the Intergovernmental Employment Committee each represent a different – though not exclusive – set of workforce development actors. HTAB’s formal governance structure is based on equal representation between labour and business, as well

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128 In Hamilton, HR Matters received fleeting attention in conjunction with the Mayor’s Roundtable on Education and the Hamilton Economy, and in Ottawa, obtained the unanimous endorsement of the City Council.

129 Recall from Chapter 3 that ‘constituent networks’ are defined as local sub-networks that organize and represent sub-sets of local actors or ‘constituent groups’ who share common goals and objectives. In this context, constituent groups also function as important workforce intermediaries that seek to match the supply and demand sides of the labour market.
as education and community groups at the local level, and is mandated to engage “community partners in a local labour market research and planning process that leads to cooperative efforts among partners to find local solutions to local issues” (www.localboards.on.ca). The Industry-Education Council (IEC) facilitates partnerships between local business, educational institutions, and government and is mandated to “link Hamilton's learning system to the economic and workforce development goals” of Hamilton (www.iechamilton.ca). The informal ‘Intergovernmental Employment Committee’ is a group of local governmental officials representing all three levels of government but who operate at the local level who meet voluntarily but informally on a regular basis to discuss the coordination of government-led workforce development activities in Hamilton.

In Kitchener-Waterloo, the Waterloo Region Immigrant Employment Network (WRIEN), and the Community Employment Linkages group also each represent different sub-sets of local workforce development actors. Housed within the Greater Kitchener-Waterloo Chamber of Commerce, WRIEN is the smallest but most formalized group. Funded primarily by charitable organizations, it seeks to coordinate cross-sectoral partners such as local immigrant settlement organizations in order to attract skilled immigrants to the Waterloo Region for the purposes of “community-wide economic development” (www.wrien.com).130 The Community Employment Linkages Committee (CELC) is an informal group of local social service providers who meet regularly to share information and best practices, and to coordinate workforce development activities. The group is driven by Lutherwood and includes a range of local governmental and non-governmental workforce development actors such as the local college, other training providers, transition facilities for adult offenders, adult literacy providers, and employment help centres.131 It is worth mentioning that The Workforce Development Task Force of the Prosperity Council of Waterloo Region showed evidence of formal organizing around strategic workforce

130 The Prosperity Council of Waterloo Region is a joint initiative of four local business associations - the Greater Kitchener-Waterloo Chamber of Commerce, the Cambridge Chamber of Commerce, Canada's Technology Triangle (CTT), and Communitech. The Post-Secondary Task Force was made up of representatives from five local employers, Waterloo and Wilfrid Laurier universities, and Conestoga College. See www.prosperitywaterloo.com.

131 Recall that Lutherwood is a large non-for-profit health and social service organization that provides mental health, seniors services, and employment services.
development issues in its Post-Secondary Task Force, but there appears to have been little activity beyond an initial meeting in 2004, so it is unclear if this group is still functioning. Furthermore, when asked to list local workforce development actors, no interview respondents mentioned this particular group.

Results suggest that Ottawa has at least two constituent networks. The Ottawa Centre for Research and Innovation (OCRI) is a large, member-based private not-for-profit community economic development corporation, funded by all three levels of government. Aimed at supporting the development the region’s knowledge-based industries, it formally partners with the City of Ottawa to manage Ottawa’s economic development strategy for this sector. A second network, Hire Immigrants Ottawa (HIO) appears to be driven by the Ottawa United Way in conjunction with LASI World Skills, the Ottawa Chamber of Commerce, and the City of Ottawa, to support the matching of skilled immigrants with local employment. The United Way is Ottawa’s largest social service funder and delivery organization, and LASI World Skills is a consortium of six local immigrant settlement organizations.

In summary, each of the three communities has two or three constituent networks that organize different sub-sets of local workforce development actors, but only Hamilton and Ottawa have formal workforce development mechanisms that are formally supported by their respective municipal governments. It is possible that the lack of a formal workforce development network in the Waterloo Region is largely the result of fragmented local government structures in the region. A more detailed examination of this finding is beyond the scope of the current research, because it would require comparison with similarly fragmented local government structures. This line of inquiry would, however, be fruitful to gain insight into the impact of local governmental institutional structures on local governance efforts.

Local Intergovernmental Relations

Another of the more interesting findings of this study is the variation in intergovernmental relations at the local level in each of the three cases. In Hamilton and Kitchener-Waterloo, local federal and provincial representatives from various ministries including HRSDC, MTCU, and the Ontario Ministry of Community and Social Services
(MCSS) were reported as being highly involved in both formal and informal local workforce development efforts. In Hamilton, a group of local federal and provincial government representatives formed the Intergovernmental Employment Planning Committee (IEPC), the informal network from which the HR Matters idea originated. In the Waterloo Region, local federal and provincial government representatives are regular participants in the Community Employment Linkages Committee (CELC), a similar network of governmental and government-funded employment service providers, but which, as has been discussed, is not as linked with a broader community-wide workforce development agenda. It is only in Ottawa, where social welfare constituent networks are described as weak, that local provincial and federal government representatives appear to lack linkages with one another, and do not network regularly with each other or with government-funded employment service providers.

In terms of patterns of interaction between federal and provincial politicians and other non-local government representatives, however, little variation is evident, and these linkages appear to be uniformly weak in all three cases. In none of the cases was there evidence of direct engagement in local workforce development from local MPs or MPPs. Though federal and provincial politicians were typically aware of workforce development efforts in each community, they tended not to be politically engaged or invested in championing the workforce development agenda. In fact, in both Hamilton and Kitchener-Waterloo, workforce development actors reported actively trying to solicit political support from provincial politicians and ministers for their workforce development efforts, and being told that they needed to come up with a more coherent and unified community-wide strategy before they could expect to attract political buy-in. As mentioned, however, this may have shifted somewhat in the Waterloo Region, as the local MPP for Kitchener, John Milloy, became the Minister of Training, Colleges, and Universities after interviews were conducted in this region. It is notable that in each case, local actors reported frustration with the lack of attention their workforce development efforts were able to attract, especially from provincial politicians. This suggests that, as with local governments, it is difficult to get – and sustain – political attention to complex policy issues like workforce development.

Networks and linkages with non-local federal and provincial actors were similarly weak and tangential. In none of the cases did local workforce development actors report
meaningful relationships with non-local governmental representatives, but they often expressed their frustration at the lack of a conduit for information about local workforce development needs and concerns to flow upwards from the local level to policymakers at Queen’s Park. These findings suggest that labour market policymaking since the corporatist experiments of the 1990s discussed in Chapter Two has lacked a local lens. Interviews with federal and provincial bureaucrats at HRSDC and MTCU respectively, underscore this point. In none of these interviews did policymakers allude to or acknowledge the relevance of the local level in workforce development policymaking, even when prompted. Something of a departure occurred, however, in 2007 and 2008 after the initial implementation stage of the Labour Market Development Agreement (LMDA), when MTCU officials consulted directly with employment service providers in each community to obtain input on local concerns and policy innovations to improve the interface between local representatives of MTCU and provincial government bureaucrats. Though this was a consultation exercise, and policymaking authority was retained by provincial MTCU bureaucrats, one of the outcomes of these consultations was the introduction of the Integrated Local Labour Market Planning Process (ILLMP) discussed in more detail below.

**Measuring Social Inclusion**

**The Organization of Societal Interests and the Patterns of Interaction Between Them**

The social inclusion question seeks to uncover evidence that local communities attempt to balance economic development and social welfare considerations in their strategic workforce development activities, and asks if local workforce development networks represent both economic development and social welfare interests, or if they are dominated by the interests of one over the other. Recent theoretical discussions about local governance re-focus attention on the *politics* of urban governance. Critics of ‘neoliberalist’ tendencies in the New Localism argue that scale, or the location where governance arrangements are negotiated, is a socially constructed, and therefore, politically contested, process. They argue that the dismantling of the Keynesian national welfare state, and the devolution of social responsibilities downward to the local level, privileges the interests of capital for market-led economic growth (Brenner and Theodore 2002; Peck and Tickell 2002). From an urban
governance perspective, Pierre (1999, 2005) underscores its normative dimension. Urban governance mechanisms are locally constructed institutions that embody “the overarching systems of values, traditions, norms and practices” that shape and constrain [local] political behaviour” (Pierre 1999, 373). Different local governmental institutions and societal actors “embrace different values”, and therefore “the issue of what should be the goals of urban governance is at the heart of urban political choice” but the central question of which political objectives guide urban governance “has been left largely unanswered” (ibid., 372-373).

Because workforce development requires coordination between supply-side social welfare advocates and demand-side economic development advocates, the most robust workforce development networks will balance social welfare considerations with economic development goals (Giloth 2004a; Harrison and Weiss 1998; Melendez 2004; Clarke 2004). Drawing from Pierre’s arguments that cities make different political choices about how social and economic processes should unfold, it is hypothesized here that the extent to which local workforce development networks attempt to balance economic development and social welfare considerations depends largely on the organization of societal actors around different values and the patterns of interaction between them. Drawing from the urban governance literature on governance networks (John and Cole 2000; Clarke and Gaile 1998; Pierre), the workforce development literature (Giloth 2004a, 2004b), and the civic leadership literature (Wolfe and Nelles, 2008), variation in the organization of societal interests and the patterns of interaction between them will be characterized according to the following elements:

- the organization of societal interests
- civic leadership
- active intermediaries
- dominant discourse
- network linkages
- network configuration

Table 7.2 gives an indication of how the organization of societal interests shapes efforts to balance social welfare and economic development considerations.
Table 7.2: Characterizing Variation in the Organization of Societal Interests

<table>
<thead>
<tr>
<th>Elements of the Dependent Variable</th>
<th>Hamilton</th>
<th>K-W</th>
<th>Ottawa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of Societal Interests</td>
<td>Organization of Economic Development Interests</td>
<td>Weak</td>
<td>Strong</td>
</tr>
<tr>
<td></td>
<td>Organization of Social Welfare Interests</td>
<td>Strong</td>
<td>Strong</td>
</tr>
<tr>
<td>Civic Capital</td>
<td>Workforce Champions</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Boundary Spanners</td>
<td>Weak</td>
<td>Weak</td>
</tr>
<tr>
<td>Active Intermediaries</td>
<td>Community College</td>
<td>Strong</td>
<td>Strong</td>
</tr>
<tr>
<td></td>
<td>Training Board</td>
<td>Strong</td>
<td>Moderate</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>IEC</td>
<td>WRIEN</td>
</tr>
<tr>
<td>Dominant Discourse</td>
<td></td>
<td>Social Welfare</td>
<td>Balanced</td>
</tr>
<tr>
<td>Network Linkages</td>
<td>Cross-Membership in Constituent Networks</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Network Configuration</td>
<td>Patterns of Interaction Between Groups</td>
<td>Overlapping</td>
<td>Siloed</td>
</tr>
<tr>
<td>Network Cohesion</td>
<td>Willingness to Work Toward a Common Goal</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

Organization of Societal Interests

Hamilton lacks a private, not-for-profit community economic development corporation. This was cited in several interviews as an impediment to local efforts to build cross-sectoral coalitions that link business, workforce development organizations, educational institutions, and social service providers. The local Chamber of Commerce was initially involved in the HR Matters network, but its participation attenuated over time. In addition, the Chamber tends to represent small and medium-sized Hamilton firms rather than large employers. Nonetheless, as mentioned, there is evidence of employer involvement in HR Matters with the regular participation in meetings of Dofasco and Hamilton Health Sciences, two of Hamilton’s ‘Top 10 employers’. On the other hand, several interviewees underscored the impression that social service providers are numerous and well-networked in Hamilton, and the community is well-served. Because of the presence of training providers, government actors, social service providers, post-secondary
educational institutions, and other intermediaries such as the IEC, at a single workforce development “table”, but the weakness of overall business representation, and the absence of unions, the overlap between constituent groups is considered to be “moderate”. The lack of a strong not-for-profit business organization outside of the Economic Development Department of the City of Hamilton (which has a small budget and long list of responsibilities) coupled with a strong and large network of social service providers, suggests that the dominant discourse in Hamilton is that of social welfare.

Kitchener-Waterloo has several community-based not-for-profit industry-led business associations and economic development corporations including Communitech, Canada’s Technology Triangle (CTT), and the Waterloo Region Prosperity Council, as well as a local Chamber of Commerce. The activities of these organizations, however, tend to be confined to areas that have a direct impact on economic development outcomes, and exhibit little workforce development activity. At the same time, however, networks of workforce development actors and social service providers are also well-developed. What Kitchener-Waterloo appears to lack are influential workforce intermediaries that match up workers and firms and influence the development of community-wide workforce networks, as well as boundary spanning civic leaders who seek to link up constituent networks. As mentioned above, Conestoga College is very active in workforce development in the community both in its regular diploma granting, educational upgrading, and employability programs, it tends not to be networked with other community actors. WWTAB is similarly active in the community, but tends to be one among many actors rather than taking an active leadership role. Lutherwood has been very effective at facilitating the large network among service providers but has not acted as a boundary spanner with the business community. The reverse is also true, and links between industry-led business associations and social and workforce development services appear to be weak. Because both economic development and social welfare interests are well organized, but overlap between these constituent

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132 An interesting corollary finding of the study was that unions tend not to be directly involved in community-wide workforce development activities. They belong to the training boards, where they exist, but otherwise tend to limit themselves to activities of direct benefit to their membership.

133 Though Communitech does run a business-education partnership, it focuses narrowly on career exploration for youth in high skill and highly educated occupations.
networks is low, Kitchener-Waterloo is described as ‘balanced’ but not ‘overlapping’ or coordinated.

Similar to Kitchener-Waterloo, Ottawa also has a robust economic development infrastructure that was initially developed by The Ottawa Partnership (TOP), and delivered through OCRI and several other community-based organizations, including the Ottawa Tourism and Convention Authority, the Ottawa Life Sciences Council (which has been integrated into OCRI), Talentworks, the Greater Ottawa Chamber of Commerce, the Regroupment des Gens d’Affaires, and the National Capital Business Alliance. It is notable that two of these initiatives – Talentworks and the Ottawa Life Sciences Council – are housed within OCRI. The capacity of Talentworks to engage a community-wide network of workforce development actors has already been discussed. There are few other social welfare linkages evident at the municipal level. The United Way appears to be a socially active and networked community service organization. It is notable, however, that it is a charitable organization rather than a government-funded not-for-profit service provider, and therefore relies on charitable fund-raising to finance its social service activities. There does not appear to be a constituent network of social and workforce development service providers in Ottawa. Because the economic development community is well organized, but the social welfare community appears to be less organized, and the overlap between economic development and social welfare groups appears to be quite low, the dominant discourse in Ottawa appears to be one of economic development.

**Linking Mechanisms: Civic Capital and Workforce Intermediaries**

Results suggest that there is some variation in the amount of civic capital operating with each case, as well as the strength of local workforce intermediaries. In none of the cases, however, was there evidence of significant civic leadership or boundary spanning activity. This is not to say that people were not actively championing local workforce development agendas, but that these efforts, on their own, were not sufficient. The fact that too few individuals were actively working to advance the agenda coupled with the fact that these individuals typically did not have enough community-wide political influence meant that their efforts were not powerful enough to keep workforce development on the local political agenda. In Hamilton, for example, civic capital was evident in the boundary spanning efforts of the leaders of community networks to collaborate on a community-wide
workforce development strategy, and in the vocal support that key players gave to the
initiative at community events and in the media. Workforce intermediaries were also
influential, and apart from the IEC and HTAB, Mohawk College was also a founding
member of HR Matters. As discussed earlier, however, the lack of a constituent group
representing business and economic development on the local political agenda militated
against efforts to keep workforce development in the local political agenda, and against
boundary spanning efforts.

In the Waterloo Region, while both the CELC and WRIEN were headed up by
engaged community leaders, WRIEN was much more successful attracting political and
policy support. As mentioned, this could be partly attributable to its narrower, and more
focused agenda, and partly to the fact that it is housed in the Kitchener-Waterloo Chamber
of commerce, which gives it access to linkages into the local business community.\textsuperscript{134}
However, as discussed, workforce development actors in WRIEN and the CELC tend to
have been working on their own agendas, and had few linkages with each other, so boundary
spanning activity was minimal. At the time data were being collected, there also appeared to
be few active linkages with the high profile and influential organized economic development
interests of Communitech or the Prosperity Council. In Ottawa, the lack of civic champions
was cited as one of the reasons for the failure of Talentworks, and boundary spanning
activity was not likely in the absence of a well organized social welfare constituent network.

**Network Configurations and Dominant Discourses**

**Hamilton: Overlapping Networks**

There is substantial cross-membership and overlap in the three main constituent
groups in Hamilton. The idea for HR Matters originated with the informal
Intergovernmental Employment Committee, of which both HTAB and the IEC were
members, in response to concerns about projected skilled labour shortages in Hamilton.

\textsuperscript{134} The success of WRIEN could also be due to the fact that it was able to access a large amount of start-up
funding from the Ontario government as a result of the federal and provincial policy attention focused on
better integrating foreign-trained professionals into the Ontario economy.
The IEC developed the idea further and solicited the participation of influential community and business actors, such as Mohawk College, Dofasco, Hamilton Health Sciences and the Hamilton Chamber of Commerce. The IEC, with support from HTAB, worked hard to get the HR Matters idea on to the political agenda and approached the Mayor’s Office to request funding for a central mechanism designed to facilitate and steer the development of a workforce strategy for the City of Hamilton. What is notable in this case is the number and type of linkages between local workforce development actors. Several interviewees referred to network participants as “the usual suspects” because they knew each other and were accustomed to working together on a regular basis. HR Matters was often described as the central “table” where an open and informal but consistent group of people met regularly to discuss local workforce development issues. Though HTAB, the IEC, and the Intergovernmental Employment Committee each represent distinct constituent groups, (community groups and local unions, with weak business representation for HTAB; local secondary and post-secondary institutions and employers for IEC; local municipal, provincial and federal governmental officials), they were all very active in establishing and supporting the HR Matters initiative as well as soliciting the support, if not active participation, of large local employers.

**Kitchener-Waterloo: Siloed Networks**

Kitchener-Waterloo does not have a formal, municipally supported central workforce development mechanism, or an articulated workforce development strategy. This does not mean, however, that there is not a great deal of workforce development activity occurring in the region. Again, in response to concerns about shortages of skilled labour in Kitchener-Waterloo, particularly in highly-educated occupations in the local information and communications technology (ICT) industry, WRIEN emerged out of discussions between the City of Waterloo and the Greater Kitchener-Waterloo Chamber of Commerce. It obtained seed funding from MTCU, and has been subsequently funded by charitable funding organizations such as the United Way, the Ontario Trillium Foundation, the Kitchener-Waterloo Community Foundation, and several other private charitable foundations. While it describes itself as a community-wide initiative that “brings together cross-sectoral partners” and multiple stakeholders, however, its mandate appears to be narrowly focused on the attraction and retention of highly skilled immigrants for the purposes of local economic
development. While it has been quite successful in engaging local employers, it does not actively seek the input or participation of other community groups, including, apparently, immigrant settlement organizations. In contrast, The Community Employment Linkages Committee does reflect a broad-based membership drawn from local social service providers such as Lutherwood, local government service representatives such as Ontario Works and the MTCU Apprenticeship office, Conestoga College’s employability services such as Job Connect, and local adult literacy organizations. In order to avoid duplication of services in a climate of resource constraints, this group provides a forum for the management level of these organizations to share information and discuss the coordination of service delivery, best practices, and gaps in services. Though the group is in its early stages, it already has a broad base of support and has stated it intention to map out and coordinate all of the employment services in Waterloo Region on a community-wide basis. Though the linkages between community-based and government service providers are robust, however, there is little evidence of the involvement of the business community. In addition, key intermediaries such as the Waterloo-Wellington Training and Adjustment Board (WWTAB) and Conestoga College appear to be key participants, rather than key drivers of the network development process. Because there are two well-established networks in Kitchener-Waterloo, each of which has different main objectives and have little interaction with each other, this region is referred to as “siloded”.

**Ottawa: Fragmented Networks**

Ottawa does have a single, municipally supported workforce development mechanism but the mechanism is hollow at its core; it exists but has limited membership and reports little activity. The City of Ottawa Economic Development Department continues to provide nominal funding to keep the entity alive for the day that it regains momentum, but Talentworks has represented little in the way of strategic planning or networking activity since the beginning of its hiatus in 2004. One of the reasons reported for its lackluster activity was the difficulty of obtaining sufficient and stable core funding apart from that

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135 WRIEN’s website indicates that as of late 2009 it has active links with the Local Immigration Partnership Council, which suggests that it has begun to partner more actively with other local actors.
provided by the City of Ottawa. Ottawa has also been unsuccessful in sustaining an active training board, and while it was difficult to ascertain the precise reasons for its failure, political acrimony of some sort was mentioned by several interviewees, and the training board has not been active since the late 1990s. At the same time, Algonquin College was rarely identified as an active participant in community workforce development efforts. The only active constituent network of local workforce development actors appears to exist between the United Way and LASI World Skills, a consortium of local immigrant settlement organizations. Though further research is required, it would appear that the mandate of this constituent group is somewhat broader than that of WRIEN in Kitchener-Waterloo, and seeks to match immigrants with employment not only for the purposes of local economic development, but also for the purposes of social integration. Because of the weak linkages between local workforce development actors in Ottawa, this region is referred to as “fragmented”.

Network Capacity: Three Governance Failures

The purpose of this study was to establish if there was evidence of workforce development networks in three medium-sized Ontario communities, and if so, to characterize the nature of this variation. Empirical results suggest that there is indeed variation in workforce development activities across the three cities, and that some cities have better developed networks than others. Establishing variation is only one indicator of political autonomy, and does not, in itself, take us very far; the existence of a network says nothing about its capacity to coordinate workforce development efforts. The interesting part is how and why the variation occurs, and most importantly, what it means for the capacity to effect local change. Consistent with arguments of urban governance theory, we can conclude that variation in workforce development networks can be largely attributed to local factors such as the organization of social interests in constituent networks, the role of local government, and the presence of influential intermediaries.

136 Due to the absence of a training board in Ottawa, Talentworks attempted to obtain joint funding from HRSDC and MTCU under the same funding envelope as training boards, but was deemed ineligible.
As results from many other comparative studies of urban governance suggest, however, governance failures are much more common than successes. The findings of this study are similar to those of Clarke and Gaile who comment that of their comparison of four U.S. cities, none are “success stories” (1998, 115). Likewise, in none of the cases examined here was a durable and sustainable locally-driven workforce development network that links up – or ‘boundary spans’ between social welfare and economic development constituent networks to facilitate the matching of workers with high quality jobs in local firms, successfully established. Hamilton is described as ‘overlapping’ because it appears to have developed the most robust and extensive workforce development network, but it has not been able to sustain these linkages over time. HR Matters was initially supported by the municipal government and driven forward by an ostensibly collaborative climate among well-established constituent networks of social service providers, government representatives, and influential intermediaries, but political support from municipal politicians quickly attenuated and the small handful of civic leaders committed to workforce development was not able to keep it sufficiently salient on the local political agenda. At the same time, conflict emerged between constituent networks over the institutional locus and associated funding for workforce development activities, and the absence of a clear consensus of who should be “the voice of workforce development for Hamilton” provided the coup de grace for HR Matters. Despite a strong start, HR Matters became increasingly fragile and was dormant by early 2006.

Kitchener-Waterloo is described as ‘siloed’ because it has robust social welfare and economic development constituent networks, but lacks the participation of influential intermediaries and boundary spanning civic leadership to link the two. None of the municipal governments or the regional municipality of Waterloo Region address workforce development in their strategic plans, or support a central workforce development network. All workforce development activity appears to be occurring by voluntary activities of business associations or community-based organizations that do not appear to have linkages with each other. Ottawa has a well-developed economic development capacity in the form of the Ottawa Centre for Research and Innovation (OCRI) and support from the municipal government for workforce development, but is referred to as ‘fragmented’ because it lacks a well-developed, community-wide social welfare constituent network as well as the participation of influential intermediaries and boundary spanning civic leadership. While
Hamilton and Kitchener-Waterloo both reported strong networks of employment service providers, Ottawa had no similar structure. In addition, while the City of Ottawa funded Talentworks, and OCRI housed it, there appeared to be no civic leader or ‘champion’ who was willing or able to build and sustain political and community-based support. Though the formal entity still technically exists, Talentworks has been inactive since 2004.

**Mapping Local Autonomy and Social Inclusion**

Drawing the ‘network structure’ variables from Table 1 and the ‘dominant discourse’ variable from Table 2, we can re-visit Clarke and Gaile’s (1998) ‘institutional framework’ typology to characterize the patterns of interaction between local governmental and societal organizations in the area of workforce development within each city. Recall from Chapter 3 that the framework is developed along the two core dimensions of ‘institutional logics’ (whether the market or democratic principles dominate decision arenas), and tightly or loosely coupled ‘framework capacities’ (whether core decision rules and values are consistent or differ across constituent groups). Recall also that a slight modification was made to the framework that replaces ‘democratic logics’ with ‘social welfare logics’ in order to better capture the social inclusion dimension that is the subject of this study. In relation to the data presented here, the ‘network structure’ variable represents the ‘framework capacity’ variable in the Clarke and Gaile typology, and the ‘dominant discourse’ variable represents the ‘institutional logics’ variable.

**Figure 1: Mapping Local Autonomy and Social Inclusion**

<table>
<thead>
<tr>
<th>Framework Capacities</th>
<th>Institutional Logics</th>
<th>Economic Development</th>
<th>Social Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loosely Coupled Networks</td>
<td>Ottawa (Talentworks)</td>
<td>Hamilton (HR Matters)</td>
<td></td>
</tr>
<tr>
<td>Tightly Coupled Networks</td>
<td>Kitchener-Waterloo (WRIEN)</td>
<td>Kitchener-Waterloo (CELC)</td>
<td></td>
</tr>
</tbody>
</table>

The results of the study outlined in detail above suggest that each of the three cities fit into different quadrants of Clarke and Gaile’s institutional framework typology. Because
Ottawa has a strong economic development constituent network, but a weak social welfare one, the dominant discourse, or institutional logic, appears to be that of economic development. At the same time, because Talentworks consisted of different organizations with different values, and was unable to develop a feasible common agenda around which these organizations could collaborate, it is described as loosely coupled. Similarly, because Hamilton has a strong social welfare constituent networks, but weak economic development ones, the dominant institutional logic appears to be that of social welfare. In addition, though Hamilton’s workforce development efforts were the most successful of the three cities in terms of developing a feasible common agenda, underlying conflicts between constituent groups over resource allocation and ‘ownership’ of the workforce development agenda suggest that a network that began as ‘tightly coupled’ became quickly unraveled, and was ultimately too ‘loosely coupled’ to sustain. In contrast, the siloed networks in Kitchener-Waterloo represent different institutional logics but are both described as ‘tightly coupled’ because of the narrow and cohesive agenda they each share within their respective constituent networks.

Of the four networks described here, the attempts in Hamilton and Ottawa to develop and sustain a central community-wide workforce development network that included both economic development and social welfare actors, and were supported by the municipal government, were also the most loosely coupled and ultimately unsustainable because societal forces were either not sufficiently organized, or could not agree on a common agenda. Rather it is the two networks in Kitchener-Waterloo that were tightly coupled internally around a narrow agenda, but unconnected to each other, that have exhibited the greatest sustainability. This supports Clarke and Gaile’s argument that tightly coupled networks increase the likelihood that strategic plans will be implemented because they provide the focused leadership, attention, formal communication, and organizational resources necessary to overcome the “uncertainty and complexity of local decision making” (1998, 113), whereas in loosely coupled networks, multiple points of authority, informal communication networks, and fragmented resources mean that there is more potential for instability and potential conflict over “turf issues and the appropriate rules and routines to be used in different cases” (ibid., p. 113).
These findings are also somewhat consistent with Pierre’s (1999) typology of urban governance, discussed in Chapter Three, that divides urban governance institutions into four general types or models: managerial, corporatist, progrowth, and welfare. It would appear that Hamilton somewhat fits a ‘welfare governance’ model where industrial cities facing severe problems of economic restructuring and unemployment struggle to regenerate the local economy, and depend on government spending to meet social welfare exigencies. But Hamilton does not entirely fit this type because where “once prosperous industrial locales” have “not been able to bring in business or public organizations to redefine the base of the local economy”, the results of this study suggest that Hamilton may exhibit the potential to mobilize the resources of community-based actors for local economic renewal. Kitchener-Waterloo and Ottawa, on the other hand, exhibit characteristics of a ‘progrowth’ model of governance. Progrowth governance refers to “the structuring of concerted, public-private actions to boost the local economy”, and is “the least participatory of the four governance models”, typically restricting membership to business elites and senior elected officials (Pierre 1999, 384). The lack of participation of workforce development actors in strategic community economic development planning and conversely, the lack of participation of economic development actors in workforce development, is apparent in both of these cities.
Chapter 8

Conclusions: Networks are Not Enough

Overview

The purpose of this study has been to examine how ‘top-down’ and ‘bottom-up’ dynamics interact at the local level to shape workforce development networks in three Ontario cities. Two research questions were outlined in Chapter 1: the ‘local autonomy’ question asks if cities have the political autonomy to establish their own approaches to workforce development issues; the ‘social inclusion’ question asks if cities attempt to balance economic development and social welfare considerations, or if the agenda is dominated by one set of interests over the other. Previous chapters have provided detailed discussions of the three theoretical perspectives under examination in this study, detailed case studies of workforce development networks in the three Ontario cities under examination, and a comparative overview of empirical results. This chapter offers some conclusions about the ‘bottom-up’ dynamics of community-based networks in the Ontario context, as well as how ‘top-down’ and ‘bottom-up’ forces interact to shape these local dynamics.

Answering the Local Autonomy Question: ‘Between a Rock and a Hard Place’

Questions about local political autonomy ask “whether cities [can] proactively choose a particular governance model”, or whether these choices are constrained by “external dependencies” (Pierre 1999, 390). Several key findings emerged from the research into how much political autonomy cities ultimately have to develop their own workforce development agendas. First, though there was variation in the amount of municipal political and financial support for workforce development across the three cities, most respondents reported that weak support from local governments contributed to the declining fortunes of workforce development networks in both Hamilton and Ottawa, and accounts for why a community-wide workforce development strategy was never attempted.
in Kitchener-Waterloo. In both Hamilton and Ottawa, workforce development enjoyed brief political attention from their respective mayors, and managed to sustain core operational funding for several years, but this brief political attention was quickly eclipsed by other competing municipal issues such as land use planning, infrastructure and garbage collection. Despite its importance to both local economic and social development, workforce development appears to be difficult to keep on the local political agenda. As one respondent put it, “there’s certainly a strong recognition that workforce development and related issues are important, but if I think of all the activities that we’ve undertaken collectively with all the agencies [in the city], I would say it has not been a high priority” (confidential interview).

A second key finding is that intergovernmental relations in the area of workforce development are very weak. Table 1 indicates that the influence of local Members of Parliament (MPs) and Members of Provincial Parliament (MPPs) is conspicuous by its absence. In Hamilton, respondents talked about how difficult it was to get the attention of federal and provincial politicians, who were unwilling to support workforce development activities in the absence of a clear indication of ‘who spoke for Hamilton’. Similarly, in Kitchener-Waterloo, John Milloy, the provincial Minister of Training, Colleges and Universities during the negotiation of the LMDA (and for whom Kitchener-Waterloo was his home riding), was reported as exhorting the local employment service community to organize its own workforce development agenda before it could expect support from the province. In Ottawa, neither MPs nor MPPs were ever mentioned in the course of interviews. Likewise, linkages with non-local federal and provincial representatives appeared to also be very weak, and non-local government representatives were not identified as important contributors to local workforce development in any of the three cases. Relationships with non-local federal and provincial governmental officials located in Ottawa and Toronto appear to be much more tangential and arm’s length. Concerted efforts of local intergovernmental networks to influence governmental actors at the federal or provincial policy level appear to have had little impact;

I think we’d like to think that the work we’ve been doing has resonated in the community and been well received by policy decision makers in influencing their approaches, but we may be a little over confident in that belief...I’m trying to think of a specific instance where we’ve actually raised an issue and it has dramatically changed or created a
paradigm shift in the community relative to policy and approaches used and funding established and I’m not sure I can think of one instance (confidential interview).

Local federal and provincial government representatives were, however, another story. One of the more interesting findings of this study is the variation in the organization of governmental actors at the local level. In Hamilton and Kitchener-Waterloo, local federal and provincial representatives from various ministries including Human Resources and Social Development Canada (HRSDC), the Ontario Ministry of Training, Colleges and Universities, and the Ontario Ministry of Community and Social Services (MCSS) were reported as being highly involved in both formal and informal local workforce development efforts. Hamilton in particular appears to be endowed with strong networks of governmental actors, or ‘local intergovernmental relations’, between local representatives of all three levels of government, and across several different ministries. In Hamilton, it was a group of government representatives which formed the Intergovernmental Employment Planning committee (IEPC), the informal network from which the HR Matters idea originated. Likewise in Kitchener-Waterloo, local government representatives are regular participants in the Community Employment Linkages Committee (CELC), which is a similar network of governmental and government-funded employment service providers, but which, as has been discussed, is not as linked with a broader workforce development agenda. It is only in Ottawa, where social welfare constituent networks are described as ‘weak’, that local government representatives appear to lack linkages with one another, and do not network regularly with each other or with government-funded employment service providers.

Another key finding is that cities have much more autonomy in the area of economic development than in social welfare policy areas such as health care, education, and poverty reduction.¹³⁷ It is easier to develop constituent networks around narrow economic development issues, or social welfare issues, for that matter, than around more complex

¹³⁷ This point reflects the fact that, as discussed throughout the study, local governments are taking more active approaches to developing strategic responses to the increasingly complex problems they face, including in areas of traditionally federal or provincial responsibility which have tended to lack a local lens that supports the development of locally sensitive policy approaches. Clearly, municipalities retain their responsibilities for the delivery of emergency services, social and community health services including social housing, and transportation and utilities. However, these remain primarily service delivery functions and policy direction in these areas is still primarily set at the federal or provincial level. The one area in which there is little ambiguity about relative federal, provincial or municipal responsibility is that of economic development.
policy issues that involve a broader array of local actors and the negotiation of different, and at times competing, interests. Though not formally and constitutionally within municipal jurisdiction, economic development is one of the primary policy areas over which municipalities assert their strategic policy development prerogatives. Whether administered through a city’s internal economic development department, as in Hamilton, or in conjunction with a private not-for-profit economic development corporation as in Ottawa and Kitchener-Waterloo, economic development strategies and budgets in Ontario cities are typically approved at the municipal governmental level, by the mayor and council. As a result,

There is a great deal of autonomy in terms of the work that leads to the identification of the specific policies. Once the strategy is approved, there’s a great deal of autonomy in terms of the specific activities that can be taken individually or collectively to realize those kinds of policy objectives. So I do say to people that the economic strategy is a policy document that is very wide in that sense. You can do a great number of things within the language of that policy (confidential interview).

Cities have much less autonomy in other policy areas. Without control over the financial resources to support locally driven initiatives, governance innovations to address local problems are inherently constrained. While cities retain the autonomy to design strategies, set priorities, and “conceptualize projects”, “flexibility starts to diminish when you access [funding] programs to support what you’re doing locally. Every funded dollar comes with a bag of rules and that’s what causes difficulty” (confidential interview). People reported that when it came to developing regionally sensitive workforce development strategies, “we’re at the mercy of the provincial government. They set the policy, they set their expectations, and then we deliver it on their behalf” (confidential interview). Many people commented that “we’ve always cried out for the fact that we have our own needs and we want to respond to those needs in a unique fashion, so what we do is not necessarily the same as what Oakville or Toronto or Kingston does”, but that there “isn’t a lot of policy there around driving communities…There are no meetings between the community and the provincial policymakers to say ‘look, if you want to put a plan together, set out your priorities, let’s put a template together of issues that we can pursue and talk to various partners to make sure there’s buy-in, that’s not really coming down from that level’”
(confidential interviews). Instead “governments sometimes make the mistake of not allowing any sort of adaptability of flexibility on the community level with respect to funding” and “when you’re applying for something you have to make sure you’re applying for this fund or that fund, and there isn’t a lot of integration between them” (confidential interviews). In other words, cities require the ability to “come-up with community-based solutions” but lack the policy framework to do it because “the programs and funding mechanisms aren’t there to support what we want to do” (confidential interviews).

This dynamic becomes even more complex in second-tier municipalities that have individual municipal governments shared jurisdiction with larger regional ones, as in the Waterloo Region case. Though the results of this study do not speak directly to questions of municipal structures and inter-municipal collaboration, there is evidence to suggest that it is even more difficult to obtain community-wide consensus on cross-cutting policy issues in regions with more than one municipal structure. This could explain why the Waterloo Region has not yet attempted a community-wide workforce development network, but further comparative research with other second-tier municipalities would be required to address this question.

**Answering the Social Inclusion Question: No One Is Sitting Together at the Same Table…For Long**

Questions about social inclusion highlight how the processes of conflict and cooperation between different societal interests play out in individual cities. Several key findings emerged from the question of whether local governance structures and processes reflect efforts to balance social welfare and economic development considerations, or if the political agenda is dominated by one set of interests over the other. One of the other particularly interesting findings in this study is the variation in the organization of societal interests at the local level. The social welfare needs of each community, in this case, employment services, are met relatively consistently across all three communities as they each have access to the same level of employment services, delivered by the same
The constellation of government-funded not-for-profit, employment service providers, however, does vary by community, as does the way they organize themselves at the local level. As we have seen, social welfare interests that include both local representatives of government agencies as well as community-based organizations, are highly networked in Hamilton and in Kitchener-Waterloo, but weakly networked in Ottawa. Furthermore, the organized social welfare interests in Hamilton drove the most ambitious local workforce agenda, attempting to sustain not only the support of local municipal and provincial politicians, but also large local employers. Many respondents reported that competition and conflict between community-based service providers and organizations over the financial resources and institutional locus for workforce development as was most evident in Hamilton, tended to undermine the foundation upon which workforce development networks were built, hastening their decline.

Perhaps most problematic for local workforce development, however, is the uneven organization and patchy participation of local business. Either the organization of the local business community is weak, as in Hamilton, or strong but not engaged in workforce development, as in Kitchener-Waterloo, or strong, but seen to be dominating the agenda, as in Ottawa. An observation that cannot be explored in more detail here, but may be worthy of further research is the negative correlation between the presence of a private not-for-profit economic development corporation and a community-wide workforce development strategy. On one hand, several key informants emphasized the fact that Hamilton lacks an economic development constituent network in the form of a private not-for-profit economic development corporation like Communitech and CTT in Kitchener-Waterloo and OCRI in Ottawa, which they saw as exacerbating the tension that existed between local actors in the absence of a formally mandated central workforce development governance mechanism. Yet as has already been observed, Hamilton’s workforce development network, HR Matters, was the most successful of the three in relative terms. In both Ottawa (OCRI) and Kitchener-Waterloo (Communitech), each of which have highly developed and powerful not-for-profit economic development corporations, community-wide workforce

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138 See Appendix A for a list of government or government-funded services that are offered in all municipalities in Ontario.
development agendas were either not successful (Ottawa) or never attempted (Kitchener-Waterloo).

Another relevant finding is that each community tended to lack civic leaders or ‘champions’ who were willing and able to act as boundary spanners between economic development and social welfare interests. When asked who key leaders were in the areas of local workforce development, respondents either could not, or rarely identified the same set of civic leaders in each community, and when they did offer a name, it tended to be an executive director of a local community-based organization, or a local representative of a particular government ministry. Either workforce development champions were not sufficiently influential to keep workforce development high enough on the local political agenda, as in Hamilton, were unwilling to take ‘ownership’ or responsibility for workforce development as in Ottawa, or showed little interest in the social welfare aspect of workforce development, as in Kitchener-Waterloo.

‘Top-Down’ or ‘Bottom-Up’? Three Theoretical Explanations Re-Visited

The empirical focus of this study has been on variation in the patterns of interaction between state and non-state actors at the local level. It is argued here that urban governance dynamics in policy areas other than economic development are under-theorized and under-studied in Canada. Because the empirical intention of this study was to focus on how urban governance dynamics in the area of local workforce development in Ontario cities unfold, the study was designed to control for the impact of federal and provincial institutions, and policy sector. In this way, we can conclude that observed variations in workforce development networks are attributable to local factors, the variation in which has been described in detail above. Urban governance theorists emphasize, however, “top-down and bottom-up institutional influences interact in important ways” (Lowndes 2009, 96). While urban dynamics are driven by political choices taken by actors at the local level, they are also powerfully shaped by dynamics occurring at macro-institutional levels. In order to address this dimension of urban governance in the Canadian context, this study has intentionally engaged with both ‘top-down’ and ‘bottom-up’ theoretical explanations for how
community-driven approaches to workforce development in three Ontario cities are likely to unfold ‘on the ground’. The results of this study suggest that there is evidence to support each of these theoretical propositions, but that none of the three approaches offers a completely convincing explanation. Nonetheless, it is argued here that urban governance theories take us the farthest in understanding how workforce development dynamics unfold at the local level in Ontario.

Two theoretical approaches emphasize ‘top-down’, macro-institutional constraints to locally-driven governance innovation. The neo-institutional analyses of Canadian labour market policy, outlined in detail in Chapter 2, argue that dynamics occurring at higher institutional levels such as federal/provincial conflict over jurisdiction for labour market policy, an adversarial industrial relations system, bureaucratic intransigence, and hyper-pluralism shape and constrain local dynamics. From this perspective, failed attempts to establish collaborative national, provincial and local labour market policy frameworks that occurred throughout the 1990s, indicate that path dependent institutional logics largely determine the outcome of policy experimentation at local levels of government, and the absence of a national labour market policy in Canada significantly impedes local attempts to develop regionally-sensitive workforce development strategies (Haddow 1995, 1998; Tuohy 1992). From a local workforce development perspective, this approach would predict that in the absence of national and provincial labour market policy frameworks in Canada that formally recognize local institutional arrangements for policy design and delivery, there will be little local autonomy to develop regionally sensitive workforce development strategies, and therefore that there will be little variation in workforce development dynamics across the three city-regions (Haddow 1995, 1998; Tuohy 1992; Klassen 2000; DiGiacomo 2001).

The neo-institutional prediction that the lack of a national or provincial labour market policy framework to support local workforce development initiatives ostensibly appears to be the most accurate of the three, but a closer examination reveals a less clear picture. Multilevel governance and policy alignment implies the existence of formal and informal ties between different levels of government for the purpose of coordinating policy efforts. It implies a somewhat fluid process of interaction, information-sharing negotiation among actors with overlapping or intersecting goals and agendas. It also implies a measure of equality among governmental actors in a particular policy setting; each has influence and
some measure of power or autonomy (Wolfe and Creutzberg 2003). In this context, workforce development efforts in each of the three cities in this study have been described as governance failures because none of them were able to sustain a community-wide coalition of economic development and social welfare interests to support the implementation of a local workforce development strategy. As discussed above, participants attributed much of the failure to the lack of a federal or provincial policy framework that provides a funding mechanism to legitimize and finance these efforts. As such, most respondents reported deep frustration – or feeling “between a rock and a hard place” – because they were subject to policy directions set at federal and provincial levels.\(^{139}\)

These findings echo those of much of the recent Canadian literature on multilevel governance discussed briefly in Chapter 1.\(^{140}\) Regardless of the policy area or country under examination, this literature argues that Canada lacks a coherent, ‘enabling’ multilevel policy framework that acknowledges and supports the needs of Canadian cities to develop place-sensitive responses to the pressures they face (Phillips 2006; Lazar and Leuprecht 2007; Bradford (2003, 2004, 2005, 2007). In some observed cases, upper levels of government can and do design policy frameworks that encourage and sustain inclusive and innovative local governance arrangements (Sellers 2002; Savitch and Kantor 2002; Bradford 2003, 2004, 2005; Wolfe and Creutzberg 2003). It is, however, much more often the case that the “complex web of relationships between different levels of government is by no means a partnership of equals”, and that “city governments are policytakers, not policymakers” that “deliver services or administer programs whose character has been determined by national or even international processes over which they have little control” (Lazar and Leuprecht 2007, 2). While cities in the U.S. and Europe have experimented with multi-level policy collaborations in areas such as neighbourhood revitalization and community economic development, in Canada, “municipalities are on the front lines in responding to national problems, but still on the sidelines when it comes to intergovernmental policy debates and

\(^{139}\) This changed to a sole reference to the provincial policy level soon after this research began, as it was at the same time that the LMDA was negotiated between HRSDC and MTCU that devolved jurisdiction over active labour market policy to the province.

\(^{140}\) This literature was not discussed in great detail because the thesis focused on the Canadian and Ontario labour market policy framework, rather than broader questions of multilevel governance. Nonetheless, the insights of this literature are of particular relevance to the findings outlined here.
fiscal negotiations” (Bradford 2005, 14). Like the results discussed above which indicate that local workforce development efforts are ‘between a rock and a hard place’, this literature also argues that “top-down governance is not very effective in relation to urban policies” (Lazar and Leuprecht 2007, 2). As Bradford (2004) argues, “place matters” and cities require enabling policy frameworks that support their efforts to address complex and difficult problems, like the co-incident problems of labour shortages and under- and unemployment discussed here. The results of this study suggest, therefore, that the local autonomy to develop and implement community-based workforce development strategies is, as neo-institutionalist theories would predict, deeply constrained by barriers operating at higher institutional levels. What remains to be explained, however, is the fact that there was significant variation in both the structure and relative success of the workforce development activities across the three cities, a finding that cannot be explained by the neo-institutionalist approach, which predicted that there would be little variation.

The other ‘top-down’ theoretical perspective, discussed in Chapter 1, is the critique of neo-liberalism that sees the downward devolution of social welfare responsibilities to public-private urban governance mechanisms as one of many outward manifestations of a ‘neoliberal’ shift that ‘hollows out’ national state capacity, resulting in uneven processes of social and economic development across different locales, further perpetuating economic and social inequality. Regulationist critiques of neo-liberalism emphasize the ‘entrepreneurial’ orientation of cities and the emphasis on local economic development strategies (Geddes 2005; Considine 2001; Peck and Tickell 2002). Local governance mechanisms are seen to perpetuate social polarization because local decisions are made in undemocratic, exclusionary social networks that privilege the interests of capital for economic development (Brenner 2004; Brenner and Theodore 2002; Peck and Tickell 2002; Geddes 2005; Jessop 1998). This perspective predicts that there will be variation in local workforce development efforts, and more specifically, that the absence of a national or provincial labour market policy that formally institutionalizes the participation of non-business labour market actors means that governance outcomes at the local level will be patchy and inconsistent across different locales, and dominated by the interests of capital at the expense of local social welfare considerations. There is, however, a subtle but critical distinction in this literature’s approach to economic development and workforce development dynamics. Critique of neoliberalism theorists working in the area of local
economic development argue that business interests dominate local governance efforts, whereas those working in the area of workforce development emphasize the chronic disinterest and under-representation of business. As Rutherford (2001) argues, for example, the policy assumptions upon which local boards were originally based were inherently problematic because they ignored the conflictual nature of local governance arrangements, the enduring influence of macro-institutional and macroeconomic structures, and the patchy participation of business. Because the “contradictory and conflictual nature of labour market governance” (p. 1888) reflects the broader “conflicts and contradictions of state policy” (p. 1872), “simply adopting the appropriate ‘soft institutions’ of stakeholder governance is by itself highly unlikely to overcome the contradictions of capitalist labour markets” (p. 1888). In this context he argues, local governance models based on multi-stakeholder “consensus and social capital need to be explained and not assumed” (p. 1888).

The results of this study indicate that there is support for the neo-liberal critique’s prediction that there will be variation in both the structure and success of workforce development strategies across the three cities. As we have seen, in the absence of an inclusive ‘metagovernance’ framework for active labour market policy, local workforce development efforts were indeed patchy and inconsistent. Community-wide strategic workforce development plans were attempted in both Hamilton and Ottawa, and though Hamilton’s efforts were the more developed, inclusive, and durable of the two, both efforts ultimately failed. In Kitchener-Waterloo, a community-wide workforce development strategy was never attempted. What this theoretical perspective was unable to account for, however, was the fact that workforce development activities were not dominated by the interests of capital in any of the three cases. The dominant discourse or ‘institutional logics’ operating in Hamilton tended to emphasize social welfare considerations over economic development ones. Even though the institutional logics in Ottawa reflect more of an emphasis on economic development, one of the primary reasons for the failure of Talentworks was the perception that OCRI was dominating the workforce development agenda, which militated against the development of a broader support base or ‘buy-in’ from larger workforce development community. In Kitchener-Waterloo, despite the lack of a community-wide workforce development strategy, the dominant discourses are balanced because both economic development interests (Communitech) and social welfare interests
(Community Employment Linkages Committee) are well represented, but they do not overlap.

While the neo-liberal critique makes some useful contributions to our understanding of how, in the absence of a larger policy framework, community-based efforts to self-organize can result in uneven processes of community development, it cannot fully account for how urban governance dynamics unfold between self-organized social interests. Rather than being dominated by the interests of capital for the purposes of human capital formation, business interests are under-represented in workforce development initiatives in all three cases, a result which resonates with most other examinations of business involvement in active labour market policy discussed in this study, regardless of the level of analysis (Ashton and Green 1996; Crouch, Finegold and Sako 1999; Culpepper 2003).

Sustaining business participation in local workforce development in Ontario is reported to be a constant struggle. Either business interests are weakly organized at the local level, as in Hamilton, highly organized but unable to sustain the participation of other community-based interests, as in Ottawa, or highly organized but not linked with community-based social welfare interests, as in Kitchener-Waterloo.

These findings are consistent with those of Rutherford (2001) who highlights the patchy and problematic nature of business involvement in local boards. Directly addressing the question of whether patchy business participation in local workforce development networks is, as Rutherford argues, a result of government disinterest due to the inability of these networks to quickly and demonstrably further the nation-state’s neoliberal agenda of capitalist accumulation, or something more mundane, like the apathetic participation of local SMEs that have what they see as more pressing issues to deal with, is beyond the scope of the current study. Rutherford does, however, uncover some interesting dynamics. Federal and provincial governments do demonstrate a very short attention span for governance experiments that do not yield immediate and measurable results. Though again, it is beyond the scope of the current study to go into detail here, many interview respondents indicated that the recent shift in government funding strategies for community-based organizations from a long term, sustainable core funding model to a short term project-based funding model, coupled with increased demands for accountability that require organizations to quickly demonstrate measurable and concrete ‘deliverables’, has had serious implications for
the development of the types of fragile and nascent community-based governance structures examined in this study. As Rutherford (2001) underscores, these types of mechanisms take time to develop, time that government funding mechanisms are less and less willing to allow.

The urban governance literature allows this analysis to take up Rutherford’s (2001) challenge, outlined above, that assumptions about networks based on consensus and social capital need to be explained. This literature provides a ‘bottom-up’ perspective that focuses on urban political agency and how the patterns of interaction between state and non-state actors at the local level shape political outcomes. While acknowledging that larger macro-economic and macro-institutional factors shape the context within which cities operate, urban governance theories are interested in the process by which networks and coalitions of community-based actors interact and organize themselves to make collective strategic choices about how local economic and social processes should unfold (Stone 2005; Pierre 1999, 2005; John and Cole 2000; Kantor and Savitch 1997; Clark and Gaile 1998). Urban governance theorists isolate political choice as a key variable that accounts for variation in urban governance structures and outcomes. The question of which political objectives shape urban governance is, therefore, an inherently empirical one. Local governance structures are shaped by the values and objectives of those who participate in the governance process, so the question of who governs is as important as the political objectives they pursue. Different governance arrangements favour different political objectives, organizational strategies and key participants, and conflict over which structures to adopt is more likely than consensus. There are “contending views even within cities about the purpose and goals of the city’s policies” because “different segments of the city and city administration tend to embrace different values” (Pierre 1999, 372). When the different values, priorities, and political objectives of different segments of the local governance structure clash, such as those of economic development and social welfare, the interorganizational tension leads to “governance gaps” and public problems remain unsolved.

Urban governance studies have shown that political choice is a powerful explanatory variable because locales within the same national institutional context and political culture do differ in their choice of urban governance structures. Cities choose different governance structures based on the inclusion or exclusion of different actors, and can choose to “sustain
political values above and beyond urban partisan division” (Pierre 1999, 390; Clarke and Gaile 1998; DiGaetano and Strom 2003; DiGaetano and Klemanski 1999; Kantor, Savitch and Haddock 1997). In the context of workforce development networks, an urban governance perspective predicts that regardless of the larger policy frameworks that do or do not support strategic local workforce development initiatives, local governance innovations that link jobseekers with good jobs in local firms are possible where stable and durable coalitions of workforce development actors exist at the local level. The problem, therefore, is not workforce development itself, but building and sustaining the networks to support it. This requires not only the organization of local societal interests into what we refer to here as ‘constituent networks’, but also the influential intermediaries and the civic capital to build links between them, and drive the community-wide workforce development agenda forward (Wolfe and Nelles 2008; Nelles 2009).

**Theories of Urban Governance and Workforce Development**

It is worth briefly re-visiting the discussion of workforce development networks outlined in Chapter One at this juncture. Recall that more recent approaches to labour market policy underscore the importance of the shift from supply-side policy orientations to workforce development strategies that seek to match the supply of workers who seek family-sustaining, high quality employment with firm demands for skilled workers (Ashton and Green 1996, Crouch et al. 1999, Saunders 2008). Local workforce development is a construct that seeks to capture the efforts of cities to develop policy responses to their own particular labour market needs. Over the past decade, there has been a great deal of academic research and policy interest in the potential of workforce development initiatives to support virtuous interactions between local economic development and social welfare considerations, and a number of industrialized countries have experimented with a variety of strategic local workforce development models (OECD 2004, 2005, 2006; Melendez 2004; Giloth 2004a, 2004b). In the U.S. context, Clarke and Gaile (1998) observe that although cities have limited powers to affect the broader forces of economic change and government policy on their own, they nevertheless began to examine the connections between economic and human capital development beginning in the 1990s. At its most ambitious, this approach to workforce development argues that local social and economic development requires locally-driven ‘cluster strategies’ that identify and support emerging industries and
provide training and education programs to provide the skilled workers to work in these industries (Harrison and Glasmeier 1997; Harrison and Weiss 1998; Markusen 2004).

The point that is perhaps most critical to this study, however, is the argument that labour markets are “primarily local”, and that “without attention to local politics”, workforce development efforts are unlikely to succeed (Giloth 2004a, 2). In this context, the small but influential literature on workforce development suggests that the most effective strategic workforce development initiatives are designed and implemented at the local level through collaborative community networks of education and training institutions, social welfare organizations, local government officials, and the local business community (OECD 1998, 2001, 2004, 2006, 2008; Harrison and Weiss 1998; Giloth 2004a, 2004b; Loewen et al., 2005; Melendez 2004). The most successful workforce development governance mechanisms are described as “comprehensive, networked, and interventionist”, driven and nurtured by ‘workforce intermediaries’ and actively supported by the local business community (Loewen et al., 2005, 12). This literature, therefore, clearly takes a ‘bottom-up’ approach that emphasizes local political agency over macro-institutional structural constraints. While it acknowledges the interplay between macro-institutional and local institutional contexts, this literature argues that local workforce development efforts are “highly influenced but not completely constrained” by broader economic forces and policies operating at higher institutional levels, and underscores the fact that many workforce development efforts in the U.S. context have emerged in spite of the lack of a supportive macro-institutional framework (Giloth 2004b, 17).

The literature on local workforce development in the American context is fairly well-developed, and experimentation and research on local initiatives in Europe, Australia, and many parts of Asia continues to gain momentum. As discussed in detail in Chapter Two, since the failure of the policy experimentation with the multi-partite National Training Board (NTB) and its related provincial Labour Force Development Boards (LFDBs) and local training boards, which taken together were to oversee the integrated implementation of labour market policy across all three levels of government, however, apart from Rutherford

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141 For example the OECD’s Centre for Entrepreneurship, SMEs and Local Development continues to sponsor the Local Economic and Employment Development (LEED) Programme which supports on-going research on local workforce development initiatives in OECD countries. See www.oecd.org.
(2001), concerted analytical attention to local labour markets in Ontario has been conspicuous by its absence. The purpose of this study was to begin to map out the relatively new territory of local governance dynamics in Canada by examining workforce development activities in three medium-sized Ontario cities.\textsuperscript{142} As underscored in one recent study of the relation between multilevel governance and public policymaking in municipalities, the assumption that “many of the pressures that cities face are increasingly being managed through new forms of governance that entail multiple levels of government and other [non-state] political actors” has not yet been fully tested empirically, especially in the Canadian case (Lazar and Leuprecht 2007, 1). The central question of whether or not Ontario cities are implementing their own workforce development strategies provides important insights into understanding how they are responding to the impact of powerful forces outside of their control. At the same time, as discussed in detail in Chapters 1 and 3, the dynamics of urban governance in many national contexts have received increasing analytical attention, but remain comparatively under-explored in the Canadian context.

The results of this study indicate that of the three theoretical approaches examined here, urban governance theories provide the most compelling explanation of how workforce development initiatives unfolded ‘on the ground’ in the three cases. The description of the outcomes of workforce development networks as governance failures in Chapter 7 obfuscates the fact that, sustained or not, locally-driven workforce development networks did exist in all three cases. It is worth re-iterating here that the purpose of this study, as outlined in detail in

\textsuperscript{142} It is worth re-iterating here that the purpose of this study was to test whether the local governance dynamics that have been observed in other places are also evident in Canadian cities. The study was an intentionally deductive one; rather than using cases that already exhibited the dynamics in question, it sought to examine if, and how these dynamics were occurring ‘on the ground’ in selected Ontario cities. This study controlled for variation in the impact of macro-institutional factors by comparing three cities of roughly the same size in the same country and the same province. Though it is beyond the scope of this study to draw conclusions about how these findings compare with those in other national contexts, a cross-national comparison of urban governance and workforce development dynamics in Canadian cities and those in other industrialized countries such as the U.S. and the U.K. would be a logical next step for this research. For example, different labour market policy frameworks coupled with different political cultures and the different constitutional standing of cities in American federalism does not dismiss the U.S. as a relevant comparator. There is a growing number of comparative studies of urban governance dynamics between Canada and the U.S., as well as with other European countries, though as outlined in Chapter 1, Canada still tends to be under-represented in the comparative literature (Bradford 2003, 2004, 2005; Lazar and Leuprecht 2007; Wolfe and Creutzberg 2003). As Bradford (2005) observes, “there are now numerous studies…in cities and communities across Europe and North America” that “emerge from a host of institutional settings, and deploy different techniques for mobilizing communities” (p. 11).
Chapter 1, was to explore whether or not workforce development dynamics observed in other places were evident in the Canadian context, rather than to examine the impact, success, or longevity of these activities, which would be a separate research question. Recall that the three hypotheses of the study predicted that there would be evidence of local strategic development networks in each of the three cases studies, that there would be variation in these networks according to local factors, and that there would also be variation in the social inclusiveness of these networks. The study findings indicate positive results for all three hypotheses. There was evidence of workforce development networks in all three cases despite the absence of a supportive provincial policy framework supporting local labour market planning, and the structure and social inclusiveness of these networks did vary according to the patterns of interaction between local actors.

One of the most significant findings of this study is that the organization of societal interests and the patterns of interaction between them do in fact have an impact on workforce development and urban governance dynamics in Ontario. As we have seen, economic development and social welfare interests exhibit varying degrees of organization in each case, with a resultant variation in impact on local workforce development efforts. Hamilton’s social welfare interests are well organized, but business interests are weakly organized. Ottawa’s business interests are well organized, but social welfare interests are weakly organized. Kitchener-Waterloo’s business interests and social welfare interests are both well organized but lack linkages. At this juncture, the role of intermediaries becomes particularly relevant. Hamilton had several strong intermediaries, including, but not limited to, Mohawk College and the Hamilton Training Board, that also functioned as constituent networks, and each of which supported the common agenda of establishing a community-wide workforce development agenda. Ottawa’s distinct lack of intermediaries stands in sharp contrast to Hamilton. Algonquin College fulfills its mandated function in the community, but does not have links with other governmental and community-based workforce development actors. The community was also unable to sustain a Local Training Board. Kitchener-Waterloo is similarly endowed as Hamilton with influential and engaged

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143 The results reported in Table 4.1 and Table 4.2 indicate that the Intergovernmental Employment Program Committee (IEPC) and the Industry Education Council (IEC) were also influential intermediaries that initiated, housed, and pushed the HR Matters agenda forward.
labour market intermediaries, but they appear to lack linkages with the economic
development community. Conestoga College is well known and engaged in the community,
has strong links with local industry, and is directly involved in a wide range of community
development activities.\textsuperscript{144} Beyond the college, which appears to be involved in some form in
most local networks, however, the key constituent networks in Kitchener-Waterloo tend to
interact \emph{within} their own networks rather than across constituent networks. Most telling is
the fact that even though some of the same community-based organizations were
represented on both the Community Employment Linkages Committee (CELC) and the
Waterloo Region Immigrant Employment Network (WRIEN), the two networks themselves
did not interact. The Waterloo-Wellington Training Board (WWTAB) acted as an influential
intermediary \emph{within} the constituent network of employment service providers, but not \emph{across}
economic development constituent networks.

This study asked if cities have the political autonomy to choose their own
governance structures, and whether local governance structures and processes reflect efforts
to balance social welfare and economic development considerations or if the political agenda
is dominated by one set of interests over the other. While neo-institutionalist critiques of
active labour market policy and the critique of neo-liberalism emphasize the constraining
effect of macro-institutional factors on communities’ efforts to self-organize to address
public policy problems of common concern, the urban governance literature locates the
explanation for relative success or failure with the organization of local societal interests and
the patterns of interaction between them. Stoker (1998) asserts that “under governance, the
ultimate partnership activity is the formation of self-governing networks” which are widely
discussed in the policy studies literature, but that “governance networks, however, involve
not just influencing government policy but taking over the business of government.” (23).

Workforce development has provided a particularly useful case through which to observe
these dynamics. While it appears to straddle both economic development and social welfare
interests, and thus ostensibly provides a common agenda around which to build coalitions to
drive the agenda forward, workforce development tends to be much more complex ‘on the

\textsuperscript{144} John Tibbits, a well known and outspoken proponent of the role of colleges in local economic development,
sits on the Prosperity Council. Academic Upgrading participates in the Community Employment Linkages
Committee.
ground’. As we have seen, there is evidence of self-organizing workforce development networks in each of the three cases which varies according to the patterns of interaction between local state and non-state actors. Clearly, however, none of the workforce development efforts in each of the three cities come close to having taken over the business of governing local workforce development because they lacked both the ‘top-down’ and ‘bottom-up’ factors required to do so.

‘Top Down’ and Bottom-Up: Networks Are Not Enough

The other significant finding of this study is that both top-down and bottom-up approaches provide powerful explanations for the observed dynamics of locally driven workforce development networks in the three Ontario cases. This thesis argues that it is in the nexus between top-down policy frameworks and bottom-up self-organizing networks where governance failures – and successes – are most accurately accounted for. Taken together, it is a combination of top-down and bottom-up variables that are necessary, but alone are not sufficient, to support sustainable community-wide workforce development strategies that balance economic development and social welfare considerations. From a bottom-up, urban governance perspective, this study has found that much of the variation in local workforce development activities is in fact attributable to the organization of local societal interests, which do have a powerful effect on shaping local political dynamics. Organized societal interests or ‘constituent networks’ are the bedrock upon which local governance efforts are built. Organized local ‘constituent’ networks are necessary in order to get different actors to come to the collective “table” to share the ideas and information from which feasible workforce development agendas can emerge, but as we have seen, are not sufficient to sustain the political support required to drive the agenda forward. Clarke’s (2004) assertion that workforce development issues are complex and difficult governance issues because decisions must be made by interdependent and loosely-linked actors with “shared purposes but no shared authority” appears particularly relevant here (p. 30-31).
Encouraging *Local* Alignment: Organized Networks, Political Support and Civic Capital

One of the theoretical – and in these three cases, actual - missing links that ties organized societal interest together and drives a political agenda forward, is civic capital. Many studies of urban governance underscore the role of civic leadership in developing feasible agendas, building coalitions, and driving agendas forward (Stone 1989, 2005; Clarke and Gaile 1998). Several recent studies, however, have developed the construct of local leadership more fully. As discussed in Chapter 3, Nelles (2009) defines civic capital as the patterns of interaction between formal and informal community-based networks that are tied together by local leaders or “civic entrepreneurs” who build bridges between networks to formalize coalitions “based on shared identities and interests”, and “bridge the gap” between local government and community actors (Nelles 2009, 32). Defined this way, the concept of civic capital is particularly useful for this examination of local workforce development efforts because it encompasses the impact of both local governmental and community-based actors, as civic entrepreneurs can come from any sector. The key point is that these leaders build civic capital by “creating opportunities for people to work together on specific projects to advance their economic community” (Henton et al. 1997, 31 quoted in Nelles 2009). As Nelles (2009) argues, “the advantage of this definition of civic capital is that it allows for individual agency through the engagement of key actors, as well as accounting for a societal dimension” (p. 32). Similarly, Safford (2009) emphasizes the structure of interactions between economic, political and civic leaders and argues that the divergent trajectories and differential fates in the economic fortunes of two American ‘rust belt’ cities can be attributed to the structure and composition of local social networks.

This notion of civic capital has been examined primarily in the context of regional economic development, and has not yet been applied to other policy areas. This distinction appears to be particularly relevant to the findings of this study. The civic capital to build the “bridges” between economic development and social welfare interests in order to develop a feasible and sustainable cross-sectoral coalition to drive a community-wide workforce development agenda either was not sufficient or did not exist in any of the three cases in this study. Hamilton enjoyed the highest degree of civic capital in the sense that it had a cohesive group of organized interests, which included representation from the municipal
government and several large local employers, and succeeded in establishing a community-wide workforce development strategy and a collective “table” around which different actors could meet. HR Matters was not, however, sustainable over time. Ultimately it was conflict within local constituent networks over who should “house” the HR Matters agenda – and the funding that went along with it – and thereby act as the legitimate “voice for workforce development in Hamilton” (confidential interview). Several civic entrepreneurs were deeply involved in recruiting local workforce development actors to participate in HR Matters and to drive the agenda forward, but either they did not have sufficient influence to keep workforce development on the local municipal political agenda, or were implicated in the conflict over the institutional location of HR Matters and therefore perceived by some to be motivated by self-interest. Ottawa has a great deal of civic capital organized around economic development interests, but the absence of organized social welfare interests meant that when it came to workforce development, non-economic actors were powerful enough to stymie the Talentworks initiative, but not sufficiently cohesive and organized to negotiate or develop a more inclusive alternative. The lack of organized interests to provide a foundation upon which to build a community-wide workforce development agenda, coupled with the unwillingness of any individual or agency willing to champion it, and the absence of engaged intermediaries, Talentworks never really made it past the good idea stage. Like Ottawa, Kitchener-Waterloo also has a great deal of civic capital around organized economic development interests, but also appears to have a great deal of civic capital around organized social welfare interests. What it lacks are the civic entrepreneurs to build the bridges between economic development and social welfare interests. As such, both economic development and social welfare considerations are amply addressed in Kitchener-Waterloo, but there were no attempts made to develop a community-wide workforce development strategy to incorporate them both.

In summary, this thesis argues that by themselves, local networks are not enough because power and responsibility are too diffuse at the local level. Cross-sectoral community-wide agendas also require soliciting and sustaining ‘buy-in’ from municipal politicians to maintain the political salience and legitimacy of the workforce development agenda. Civic capital and ‘bridge-building’ civic entrepreneurs are also required to facilitate the development of coalitions built around common interests and to have a sufficiently high profile in the community to attract the political attention to drive forward a common
agenda. As we have seen, however, this becomes much more complex and difficult in policy areas other than economic development where the commonality between disparate interests can be more difficult to find. It is argued here that three ‘bottom-up’ variables are necessary to support a cross-sectoral urban governance initiative; in the absence of organized societal interests, strong civic capital, and the support of the municipal government, community-wide governance initiatives are not likely to succeed.

**Encouraging Multi-Level Alignment**

From a top-down, neo-institutionalist perspective, the findings of this study also suggest that aligning these three necessary variables at the local level is extremely difficult in the absence of ‘top-down’ macro-institutional policy frameworks that support local policy and planning. As discussed in detail in Chapter 2, the failure of attempts to establish an integrated, multi-level labor market policy framework in Canada in the 1990s, and the obscurity in which local boards have labored ever since, means that a supportive macro-institutional framework for local labour market planning in Ontario does not exist. Yet herein lies the conundrum. We have also seen that in the absence of self-organized community networks that are perceived to be internally cohesive and bound by a common agenda, it is very difficult to attract political support from politicians operating at all levels of government, whether local, provincial or federal. In this context, the state retains the power to create policy frameworks that provide the core mandate, funding, and legitimacy, as well as the flexibility for localities to design their own approaches to their own particular problems. In none of the cases was the central workforce development network (or networks, as in the case of Kitchener-Waterloo) able to attract and sustain political attention from their local MPs or MPPs, even when the local MPP was also Minister of Training, Colleges and Universities (in the Waterloo Region case), or the Provincial Premier (in the Ottawa case). This underscores the fact that in policy areas other than economic development where municipalities do have a fair degree of local autonomy, local networks have to work extremely hard to get out from between the rock of having to organize themselves without governmental support from higher levels of government and the hard place of not being able to attract governmental support until they organize themselves.
Small Victories: Foundations for Future Efforts?

This study did not find strong evidence of successful governance innovations in local workforce development that demonstrated both a high degree of local autonomy and the ability to integrate economic development and social inclusion in any of the three cases under examination. However, to dismiss these results as insignificant would be to miss the essential point: the study did find clear evidence of new forms of political organization and activity which indicates that a shift from government to governance is in fact underway in Ontario cities. These nascent and somewhat weak structures are significant precisely because they existed despite the significant macro-institutional constraints to locally driven workforce development strategies outlined in detail above. This suggests that there are features of local governance dynamics that are particular to the Canadian case. Urban governance efforts in European cities are often supported by macro-institutional frameworks designed to encourage consistent and equitable outcomes at the local level. In contrast, despite federal structures designed to shape policy outcomes at state and local levels, urban governance efforts in U.S. cities tend to unfold in a somewhat fragmented and haphazard way, as we have seen with the example of workforce development. Canadian cities appear to operate somewhere in the middle, in the ambiguous nexus between top-down policy frameworks and bottom-up self-organizing networks. Whether this will act as a constraint or an opportunity for future urban governance efforts is largely unclear. This research suggests that the establishment of local governance mechanisms in the context of Canadian federalism is a somewhat fragile, evolutionary, and incremental process. It also suggests, however, that while on their own without energetic civic leadership and political buy-in at municipal or provincial levels, local networks are not sufficient to drive local governance innovations, they do demonstrate the ability to generate the energy and ideas that may frame future governance processes.

\[145\] Recall that Giloth (2004a) refers to the outcomes of the Job Training and Partnership Act of the 1980s, and the subsequent Workforce Investment Act of the 1990s that created Workforce Investment Boards as a “fragmented hodgepodge” of training programs that did not solve the co-incident problems of unemployment and labour shortages in the U.S. (p. 1).
It is important to emphasize that even though each of these cases is described as a governance failure, ‘failure’ is perhaps too harsh a word. It obscures the fact that not only did some communities do better than others, but that in at least two of them, organized societal interests arguably accomplished a great deal in terms of establishing networks of actors with shared purposes but no shared authority in spite of the local and non-local limitations within which they were working. Several other observations can be drawn from the findings of this study, which suggest that Hamilton and Kitchener-Waterloo in particular, have some advantages that may provide a basis upon which future workforce development efforts can be built. One of the more interesting additional findings of this study was the importance of workforce intermediaries to local workforce development. Recall from Chapter 3, Giloth’s (2004b) emphasis on the linking function of workforce intermediaries that help match employers with job-seekers in the local labour market. The results of this study indicate not only that these intermediaries provide important linking mechanisms between employers and workers, but also between different workforce development stakeholders.

In this context, community colleges emerge as particularly important intermediaries. All Ontario colleges provide education and training programs that offer a wide range of career pathways for students with a wide range of goals and requirements. In addition to their regular 1 and 2 year certificate, and 3 year diploma courses, all colleges offer academic upgrading for individuals who have not completed their secondary school education, thereby providing pathways for people to resume their education. On the other end of the spectrum, many colleges have articulation agreements with universities to facilitate the transition into university degree programs, and several Ontario colleges and universities have established joint degree programs that provide graduates with both undergraduate university degrees and college diplomas. Many of these programs are tailored to provide the education, training, and credentials required for employment in locally specific industrial activities. In addition, many colleges offer co-op programs that provide students with paid work experience, typically with local employers that often result in more permanent employment, as well as corporate training services for the training and upgrading of

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146 For a more detailed discussion of the role of community colleges in local economic development see Bramwell 2008a.
employed workers.\textsuperscript{147} Mohawk College in Hamilton offers several joint degree programs in conjunction with McMaster University, including the innovative BTech program which provides a joint college diploma and university degree in Engineering Technology. In addition, Mohawk’s Skilled Trades and Apprenticeship Research, Resources, and Training Institute (STAART), currently under construction, will increase apprenticeships in skilled trades critical to local industry. Mohawk also boasts the earliest and “one of the largest” co-op programs in Ontario (confidential interview). Likewise, Conestoga College is also a visible participant in the local economic and educational community, and has strong linkages with several local large employers. Automation Tooling Systems (ATS), a global manufacturer of assembly automation systems, draws many co-op and apprenticeship students from the Conestoga Engineering program, and “many graduates have gone on to become full time ATS employees”.\textsuperscript{148}

What is even more salient to this study, however, is the breadth and depth of linkages between the colleges in Hamilton and Kitchener-Waterloo, not just with local industry, but with the broader workforce development community. In both cases, representatives from the college are visible participants in local workforce development networks. In Hamilton, Cheryl Jensen, the Vice President of Technology, Apprenticeship and Corporate Training at Mohawk is the long-time Chair of the Industry Education Council, and was also one of the key drivers behind the BTech and STARRT programs. Other college representatives have been long-time members of the Hamilton Training Board, the informal Intergovernmental Employment Program Committee that initiated HR Matters, and HR Matters itself. In Kitchener-Waterloo, John Tibbits, the President of Conestoga College, is highly visible in the local community, a key participant in the Prosperity Council, and a vocal proponent of building the local educational infrastructure. College representatives participate in both of the constituent networks described in this study, WRIEN and the CELC, and partners with Communitech. In contrast, while

\textsuperscript{147} For a more detailed discussion of the role of co-op programs in local economic development see Bramwell 2008c.

\textsuperscript{148} Two-year and three-year Electrical Engineering programs at Conestoga are housed in the ATS Centre. ATS media release March 23, 2009. 
\url{http://blogs1.conestogac.on.ca/news/2009/03/automation_tooling_systems.php}. 
Algonquin College offers the same range of programs, from upgrading to regular certificate and diploma programs, and several joint degree programs, it is not part of a organized constituent network of workforce development stakeholders, because, as discussed at length, this form of organization does not appear to exist in Ottawa.

Another observation that can be drawn from study findings is the impact of relative degrees of civic capital. While this study has argued that none of the three cases exhibited sufficient civic capital and leadership to drive a sustainable community-wide workforce agenda forward, this should not obscure the fact that some communities appeared to enjoy higher levels of civic capital than others, and it was those same communities that experienced the greatest relative success in their workforce development agendas. In this context, it is plausible that civic capital and civic leadership may be two distinct but interrelated variables. Hamilton and Kitchener-Waterloo appear to have significantly higher levels of civic capital in the sense that networks were well-developed and internally cohesive, and that people tend to know each other and be willing to share information. “The usual suspects” sitting at the same “table” was often referred to by key informants in Hamilton, reported in similar terms in Kitchener-Waterloo, but there was little similar evidence among workforce development stakeholders in Ottawa.

Hamilton arguably was the most successful of the three cases in establishing a workforce development agenda, but as discussed, lacked sufficiently influential civic leadership, for example, from municipal politicians, to sustain and drive the workforce development agenda forward. Similarly, Kitchener-Waterloo had internally cohesive constituent networks, but lacked the civic leadership to ‘bridge-build’ between them. Ottawa, which experienced the least success with its workforce development efforts, lacked the cohesive constituent networks to begin with. This supports the contention outlined above, that, while not sufficient in itself without the underlying bedrock of organized societal interests upon which to build, the sustained political support of local government, particularly when explicitly linked with municipal economic development strategies, could have a powerfully positive impact in local workforce development strategies.

In this context, the evolution of strategic community-wide workforce development efforts in Hamilton since the demise of HR Matters is highly relevant. Arising out of the former Hamilton Civic Coalition, a previously existing network of civic leaders, The Jobs
Prosperity Collaborative (JPC) is a broad cross-sectoral network that brings together a wide range of local stakeholders and civic leaders to discuss ways to address community economic and social development issues. Despite different economic, social, and environmental agendas of the participants, all are aligned around the common agenda of job creation and retention in Hamilton. The JPC is divided into seven different working groups that each focus on different aspects of community-based economic and social development, and workforce development issues are one of the common threads around which each of these working groups is organized. Though there are no vestiges of the HR Matters structure in the JPC, two of the key participants in HR Matters serve as co-leads of the immigration working group. The JPC enjoys strong civic leadership and a very active and influential member of the local business community serves as Chair. The JPC also enjoys direct and formal linkages with the City of Hamilton’s Economic Development Department, and the current iteration of the city’s Economic Development Strategy is being developed in conjunction with the Economic Development working group of the JPC. It is early days and it will not be clear for some time whether or not the JPC can succeed where HR Matters failed. It is, however, no surprise that an initiative like the JPC emerged in Hamilton, the city in this study that clearly had the strongest foundations for self-organizing networks and the most robust civic capital.

Meeting in the Middle?: The Integrated Local Labour Market Planning (ILLMP) Process in Ontario

Most current analyses of labour market failures suggest that policy efforts more concertedly aimed at developing linking mechanisms to match individuals with the education, training and income support they require in order to enter or re-enter the labour market, and to match individual workers with the firms that need their skills and labour may have the greatest potential to positively affect labour market functioning. Broadly speaking, as we have seen, this is not a new idea. Most theoretical and policy discussions of active labour market policy across Western industrialized countries over the past twenty-five years emphasize this point in one way or another. However, as we have seen, anyone with more

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149 Mark Chamberlain, a local high tech entrepreneur who is deeply engaged in local social development efforts, serves both as chair of the JPC and Chair of the Hamilton Roundtable on Poverty Reduction.
than a cursory knowledge of the history of active labour market policy in both Canada and Ontario gets a certain sense of déjà-vu upon hearing the words “labour market” and “partnership” in the same sentence. Some of the most ambitious policy experiments, qualified successes, and most visible failures have been in the area of labour market partnerships in Ontario. Given the history and the institutional context, however, one would expect that labour market partnerships, especially in Ontario, would be filed under “Lessons Learned” and forgotten. Yet the theme of collaborative partnerships has begun to re-surface in recent research and policy discussions at both national and Ontario levels. These calls for collaboration could easily be disparaged for echoing similar often-repeated and ineffectual calls, and failed experiments of the past such as the attempt to establish linked up Labour Force Development Boards at national, provincial and local levels. But a closer inspection of proposed forms of collaborative partnerships suggests that policymakers may have indeed learned something from past experiments, and seek to avoid replication of past failures.

The Canadian Policy Research Network (CPRN) has undertaken a great deal of research and analysis in recent years on labour market issues in Canada. CPRN findings echo similar findings across OECD countries, suggesting Canada is not the only country facing disjunctures in the functioning of its labour market. A brief overview of labour market issues in Canada suggests that job matching between workers who need jobs and firms which need workers is not going particularly well in some geographic locations, economic sectors, and occupations, and that employers are not investing enough in training the workers they already have (Saunders 2008). Early indications of future policy directions involving the local scale of governance have begun to emerge in Ontario. Three particularly salient features of recent calls for collaboration relevant to this study are the explicit reference to multilevel collaboration between and across national, provincial, and, local scales of government, the explicit reference to governance in the form of networks and partnerships between governmental and non-governmental labour market partners, and the addition of language about social inclusion that has been either conspicuously absent or rhetorically contingent in the recent past. These three inter-related themes of locally-sensitive,

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150 In this context, it is particularly notable that explicit calls were made for a system of “adequate, stable, and long-term funding” within a “strong, well-defined regulatory framework” (p.1). Government support for
partnership delivered, and to a lesser extent, socially inclusive, labour market programs are evident in two recent CPRN reports.

A roundtable discussion in Toronto, *Employer Investment in Workplace Learning*, reported that “by far the most dominant theme was the importance of collaboration and the opportunity it provides to leverage more investment in training and more effective learning programs”, and that “progress will require greater collaboration, at multiple levels, among governments, employers and employers associations, unions, providers of education and training programs, sector councils, training boards, and others” (Saunders 2008, 4, 9). Of particular relevance to this study of local governance mechanisms for workforce development is the theme of regional or community clusters, which refers to “collaborative governance” in some Ontario communities, and reflects the possibility for “employers, unions, colleges, other training providers, government officials from a particular community as well as provincial government representatives” meeting to “share information about labour market developments and skills needs”, and “develop strategies for learning programs” (ibid., 5).

Similarly, a report of a symposium of labour market partners to discuss the parameters of a new employment and training system for Ontario, *Developing Skills Through Partnerships*, indicates that there is a consensus that required reforms “can be achieved through partnerships at all levels – provincial, regional and local – among government, business, labour, trainers, service providers and clients” (CPRN 2007, 1). A summary of symposium recommendations asserts that Ontario needs “a unified vision” which is “client-centred, community-based, [and] locally responsive” (p. 1). New language about social inclusion is reflected in the statement that “the shared vision must include both economic and social objectives”. Finally, this “streamlined labour market development system” must subsidized wages, income supports for training, and improved social supports were considered “essential to avoid the need for those in training to drop out to take the first available job that comes along” (p. 8).

151 Several different forms of collaboration were proposed including: multipartite collaboration at the provincial level; sectoral organizations; interprovincial information sharing about best practices; collaboration across departments within government and across levels of government; partnerships among employers, unions, and educational institutions; articulation across education and training providers; and regional/community clusters.

152 There was a consensus around two other key points: that clients should be served according to their needs, rather than the source of their funding; and that employers should play a lead role in developing the workforce.
be “supported by a network of collaborative relationships” among provincial, regional, and local “partners” (ibid., 1). Though these improvements were proposed within the framework of provincially administered policy, program design and delivery innovation at the local level remained a cornerstone of the recommendations, and the report emphasized that the system should be “driven by local-level planning” that is “co-ordinated across all sectors and government ministries” (p. 5). Proposed governance mechanisms emphasized the development of “partnership relationships rather than formal structures”, and one of the priorities isolated for immediate action was to “identify all relevant stakeholders and bring them together in regional/local committees for strategic planning” and to build “trust and communications across the sector” (7). This implied a potentially stronger role for Local Training Boards in determining program spending priorities.

Presumably, policymakers at MTCU either participated in or observed these two roundtables. Whatever the source of current policy thinking, there has been a major policy re-orientation toward labour market planning in Ontario since the LMDA was implemented. In addition to the re-structuring of the Education and Training Division of MTCU into four regional offices, MTCU implemented the overarching Employment Ontario service delivery model, which is intended to provide a single access point for all employment and training programs and services in Ontario. Also, soon after the signing of the LMDA, MTCU initiated a series of consultations with local employment service providers in each Ontario community, at which time it received consistent feedback that local communities required more autonomy to conduct their own labour market planning activities. The result of both of these developments was the launch in early 2008 of the Integrated Local Labour Market Planning (ILLMP) process, a program intended to support the flexibility required by local areas to conduct their own strategic labour market planning, and to match employers and job-seekers in local labour markets, as well as the fiscal accountability required by MTCU. The ILLMP framework proposes the establishment of a community-wide forum where local stakeholders can meet to “identify, assess and prioritize the skills and knowledge needs” of

153 More concrete interventions included the need to re-integrate “high school dropouts” into the labour market by encouraging them to complete certifications in skilled trades; increase the opportunity for basic skills and literacy training in the workplace; improve the “job ladders” and career pathways for under-employed postsecondary graduates and skilled immigrants; and improve the “second chance” system for the unemployed and undereducated adults.
the community, employers, and individuals in the local labour market.\textsuperscript{154} The process envisions the establishment of Labour Market Planning Committees (LMPCs) in each region, made up of influential community leaders, to work with a local planning team of Ministry staff to develop a local plan. The work of the LMPC is to be supported by a secretariat function embedded within existing local boards, where they exist. By June 2008, seven demonstration pilot secretariats began field-testing the ILLMP framework, and the intention is to roll-out the ILLMP framework in the remaining communities across Ontario throughout 2009 and 2010.

Because the ILLMP process is only in its early implementation stages, very few conclusions can be drawn about its potential impact on local labour market planning processes. Some critical unanswered questions remain about the role of existing local boards, and the relative locus of control between local communities and the ministry for setting local labour market priorities. It is as yet unclear whether ILLMP represents a ‘top-down’ policy framework to support the development of governance mechanisms that will provide the opportunity for Ontario communities to chart their own courses for the strategic development of their local labour markets, or whether it will simply be a an isolated “one-off” initiative or just another set of program deliverables required by the ministry for the purposes of funding allocations. There is also some concern about the durability of MTCU’s commitment to the process. Regardless of the outcome, it is clear that the proposed ILLMP process could represent a significant departure from previous policy approaches that tended to ignore the role of local communities in local labour market planning. There is also some suggestion that, whatever happens, “it is too late to go back” and the way local boards operate will have been permanently altered (confidential interview).\textsuperscript{155} There is a “huge appetite” in local communities for inclusive labour market planning processes that have actual impact, and some indication that regardless of whether they can count on support from MTCU, several communities, including Hamilton, intend to go forward with community-wide strategic labour market plans.

\textsuperscript{154} “FAQs: Integrated Local Labour Market Planning”, Employment Ontario Partner’s Gateway, \texttt{www.eopg.ca}.

\textsuperscript{155} It is worth mentioning that the author of this study was part of a consulting team that conducted an assessment of the capacity of non-pilot training boards to take on ILLMP Secretariat responsibilities.
In conclusion, while the results of this study lend some support to our hypotheses about local political agency, they also support theories that emphasize macro-institutional constraints to local governance innovations, and the shortcomings of local governance mechanisms that rely on the organization of societal interests drive community-wide governance agendas in areas other than economic development. An underlying tension between economic development and social welfare interests appears to manifest itself at the local level because in none of the three cases under examination in this study were there strong or durable linkages between economic development and social welfare constituent networks. Instead, the most successful community-based workforce development networks seemed to be narrowly focused on specific issues that do not require cross-sectoral collaboration, such as WRIEN in Kitchener-Waterloo and HIO in Ottawa.\(^{156}\) Local political agency in the form of well-organized constituent networks, powerful intermediaries and civic leadership are important variables that provide a foundation upon which local governance networks can be built but by themselves, are not enough. In the absence of support from local governments and an institutional policy mechanism mandated by higher levels of government – in this case, the provincial level since the implementation of the Ontario LMAD in 2005 - that formally recognizes, supports, and legitimizes locally driven socially inclusive workforce development strategies, the underpinnings of robust local workforce development networks may develop voluntarily at the community-level, but are unlikely to be durable over time.

A Few Last Words...

This study was largely inspired by Neil Bradford’s description of communities’ efforts to solve the public problems that beset them, efforts that require “the combined insights and actions of multiple actors learning about what works in particular places”, and tapping into existing knowledge and resources to “see like a community” (Bradford 2005, 4). It sought to examine what urban governance actually looks like ‘on the ground’ in

\(^{156}\) Recall that WRIEN was part of the economic development network, administered by the Chamber of Commerce and aimed at the recruitment and retention of highly educated immigrants to work in the local ICT industry. As mentioned earlier, it is beyond the scope of this paper, but this finding lends support to the argument that Stone’s regime theory is less easily applicable to the Canadian case.
Ontario cities and how governmental and community-based actors interact to address complex workforce development problems. The research did not find successful governance innovations in local workforce development that demonstrated both a high degree of local autonomy and the ability to integrate economic development and social inclusion in any of the three cases under examination. But that expectation was a rather tall order to begin with, and functioned more as an ‘ideal type’ against which to evaluate the work of actual local workforce development networks. What the study did find, however, was clear evidence of new forms of political organization and activity in Ontario cities; evidence of a shift from government to governance. But these new forms of governance activity do not conform to community power and pluralist analyses that focus on efforts to influence or capture local political agendas that have tended to preoccupy the analysis of urban politics (Dahl 1961; Hunter 1953; Logan and Molotch 1987). Instead, the research uncovered new patterns of interaction between local state and non-state actors, as well as between actors representing different levels of government, that reflect ‘bottom-up’ efforts to shape public policy by collaborating around difficult and complex problems and some attempt to blend political and financial resources. Models of urban governance are not as foreign to the Canadian context as some analyses would have predicted. City officials are attempting to develop their own policy responses to the problems they face, and they are collaborating with community-based actors to do so. The research also suggests, however, that these new forms of political interaction are extremely difficult to establish and sustain. Cities are in the middle of a steep learning curve about how to structure these new forms of governance, and there is much variation in the form that these governance mechanisms take and the degree of success that they enjoy. Juggling and negotiating among competing interests and visions about how governance dynamics should unfold is hard work and, as discussed above, a number of variables have to come together in order for these efforts to have even a chance of success.

Given the richness of variation in urban governance activities in Ontario alone, let alone in other Canadian cities, it is somewhat surprising that the field is relatively unexplored in Canada. There remains a great deal of room for comparative research on urban governance dynamics in different policy areas and different urban regions in Canada and elsewhere. Though follow-on research to this study could take a variety of directions, one theme that would be particularly fruitful for future research, not only because it is under-
studied in the Canadian context, but also because it has serious potential consequences for cities in Ontario, cities in the rest of Canada, and cities all over the world, is the ways in which de-industrializing communities seek to collectively address the challenges of economic transformation. Canada and Ontario’s largest cities are sufficiently economically diversified to avoid the fate of large industrial cities in the United States like Detroit and Baltimore. Our medium-sized industrial cities like Hamilton, Oshawa, Windsor, and Sudbury, however, have more in common in many ways with cities like Akron, Rochester, Lille, or Newcastle than they do with Toronto, Montreal or Vancouver. These are cities to which Florida’s creative class strategies do not apply so easily and that must find other ways to attract and develop new “flows of people, capital, and ideas” (Gertler 2001). Hamilton had the most successful community-wide workforce development network of the three cases in the study, partly because it boasts traditionally high degrees of community engagement, but also partly because, as many people who were interviewed during the course of this study reported, it sees itself as teetering precariously on a “burning platform” of industrial decline and must quickly find ways to diversify its local economy.

De-industrializing communities everywhere are struggling. Many skilled and committed people are working hard to come up with solutions that make sense for the unique needs of their communities. Even though these cities have been undergoing economic change and dislocation for the past couple of decades, local politicians and policymakers have been slow to respond. In many cases, it is only now that there are beginning to turn their attention to the large, complex, and interrelated economic challenges they face. But there are few roadmaps to help them along their way. This and other ongoing research indicates that many of these communities are actively searching for innovative, politically tenable local solutions. Now is therefore a particularly opportune time to observe how de-industrializing communities attempt to develop strategic responses to the challenges they face. Subsequent research would retain an analytical emphasis on the patterns of interaction between state and non-state actors at the local level in the context of the macro-institutional context that shapes their degrees of decision-making freedom as outlined in the urban governance literature. It would however, focus more broadly on ‘bottom-up’ locally driven strategies and governance initiatives aimed at supporting
economic transformation in urban industrial economies in Ontario, and would compare them with similar efforts in other medium-sized cities in the U.S and Europe.\textsuperscript{157} This would go beyond workforce development to include a range of strategic economic development initiatives such as the development of new industries, the development of the human capital to work in them, and the development of local governance institutions to guide these transitions in socially and environmentally sustainable ways. Communities everywhere are struggling to come up with ways to shape how social and economic processes should unfold. Informed research should help them to do that.

\textsuperscript{157} Ontario is known as the “industrial heartland” of Canada, and therefore has the largest concentration of industrial cities in the country.


References


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References


References


Appendix A

Acronyms

ABEA (Adult Basic Education Association)
AMLP (Active Labour Market Policy)
ATS (Automation Tooling Systems)
BEDC (Burlington Economic Development Corporation)
CELC (Community Employment Linkages Committee)
CLFDB (Canadian Labour Force Development Board)
CLMPC (Canadian Labour Market Productivity Centre)
CREHS (Centre for Research and Education in Human Services)
CTT (Canada’s Technology Triangle)
EI (Employment Insurance)
EIC (Employment and Immigration Canada)
ESL (English as a Second Language)
FTP (Foreign-trained Professionals)
GED (General Education Development tests)
GRIDS (Growth Related Integrated Development Strategy)
HHS (Hamilton Health Sciences)
HIO (Hire Immigrants Ottawa)
HRDC (Human Resources Development Canada)
HRSDC (Human Resources and Social Development Canada)
HTAB (Hamilton Training and Adjustment Board)
IBEW (International Brotherhood of Electrical Workers)
ICT (Information and Communications Technology)
IEC (Industry Education Council)
IEPC (Intergovernmental Employment Planning Committee)
ISAP (Immigrant Settlement and Adaptation Program)
ITWP (Internationally Trained Workers Partnership)
KIBS (Knowledge-Intensive Business Services)
LASI (Local Agencies Serving Immigrants)
LBS (Literacy and Basic Skills)
LEED (Local Economic and Employment Development)
LFDB (Labour Force Development Strategy)
LHIN (Local Health Integration Networks)
LICO (Low-Income Cut-Off)
LINC (Language Instruction for Newcomers to Canada)
LIUNA (Laborer’s International Union of North America)
LMDA (Labour Market Development Agreement)
LMI (Labour Market Intermediary)
MCSS (Ministry of Community and Social Services)
MIP (McMaster Innovation Park)
MP (Member of Parliament)
MPP (Member of Provincial Parliament)
MTCU (Ministry of Training, Colleges and Universities)
NCECP (New Canadian Employment Connections Program)
NDP (New Democratic Party)
NPM (New Public Management)
NRC (National Research Council)
Appendix A

NTB (National Training Board)
OCRI (Ottawa Centre for Research and Innovation)
ODSP (Ontario Disabilities Support Program)
OECD (Organization for Economic Cooperation and Development)
OJIB (Ontario Jobs and Investment Board)
OLSC (Ottawa Life Sciences Council)
OTAB (Ontario Training and Adjustment Board)
OTI (Ottawa Talent Initiative)
OW (Ontario Works)
OYAP (Ontario Youth Apprenticeship Program)
PLMP (Passive Labour Market Programs)
RGA (Regroupment des gens d'affaires)
RIM (Research In Motion)
RIN (Regional Innovation Network)
SEPWR (Settlement and Education Partnerships in Waterloo Region)
SISO (Settlement and Integration Services Organization)
SPRC (Social Planning and Research Council)
SQDM (Société Québécoise de la Main d'Oeuvre)
STARRT (Skilled Trades Awareness Research and Resource Training Institute)
TOP Report (Trends, Opportunities and Priorities)
TOWES (Test of Workplace Essential Skills)
VET (Vocation Education and Training)
WRIEN (Waterloo region Immigrant Employment Network)
WWTAB (Waterloo Wellington Training and Adjustment Board)
Appendix B

Key Workforce Development Actors Common to All Three Case Studies

Overview

All Ontario cities of a certain size have the same public service delivery agencies that implement federal or provincial policy and deliver federal or provincial programs and services. Health care, education, social services, as well as, since the signing of the LMDA, income supports and workforce development, each have a local service delivery infrastructure that is administered at the provincial and regional levels. Each city-region in this study has a local federal Service Canada office that delivers Employment Insurance income supports, a local Ministry of Training Colleges and Universities Apprenticeship office, and a Ministry of Community and Social Services Ontario Works office. The public and Catholic school boards in each community oversee all public education programs including primary and secondary schools, as well as the Ontario Youth Apprenticeship Program (OYAP) and adult continuing education programs. Post-secondary education is delivered through local colleges and universities. Hamilton has McMaster University and Mohawk College, the Waterloo Region has the University of Waterloo, Wilfred Laurier University, and Conestoga College, and Ottawa has Carleton University, L'Université d'Ottawa, Algonquin College and La Cité Collégiale, as well as several other smaller institutions. Hamilton and Waterloo Region have Local Training boards while Ottawa does not. In addition, each community has a large array of community-based not-for-profit organizations and employment service providers that focus on the delivery of programs that address local poverty and social welfare issues, immigrant settlement issues, and training and employment issues such as skills assessments, literacy and essential skills, and job search supports.
This section provides a brief description of some of the local workforce development actors and agencies common to all three cities that were identified using a snowball sampling technique. When asked to identify the key actors involved in local workforce development, respondents relatively consistently identified the same actors – what one respondent in Hamilton referred to as “the usual suspects”. These included, in no particular order, the following mix of governmental and community-based organizations: the community college, the regional office of Service Canada, the local Ontario Works office, the local public and Catholic school boards, particularly the Ontario Youth Apprenticeship Program (OYAP), the Training Board, local immigrant settlement organizations, the Chamber of Commerce, the municipal Economic Development Department (Hamilton) or the private not-for-profit economic development corporation (Waterloo Region and Ottawa). It is worth noting that local unions were very rarely mentioned without prompting, and were never mentioned as key workforce development actors. The following is not an exhaustive list of all local workforce development actors, as each community has a plethora of large and small social service organizations, but rather outlines the four main government and government-funded employment services that are common to all three cities in the study and that were identified as key actors in the course of interviews.

**The Federal Government: HRSDC and Service Canada**

The role of the local HRSDC office, now called Service Canada, has shifted dramatically as a result of the implementation of the LMDA in early 2007. Since MTCU took over all of the funding, policy development and implementation responsibilities for employment training, the local Service Canada office no longer administers these services, but retains the function of providing passive income supports – or ‘cutting the cheques’ – for EI Type 1 programs. As a result, while at one time, it was a key player that was very involved in Hamilton workforce development efforts, it has become much less visible, and indeed much less relevant. Before the transfer of responsibility, its primary mandate was to “get as many people backing employment as we can”, and to that end, was a major funder of many community programs such as “return to work action centers, resource centers, assessment centers, anything a client would need to get on the road to getting back to work”. Community employment supports of this type, however, was delivered entirely through third party, not-for-profit local service providers who “we fund to set up what they feel fits the
community.” More than one interviewee reported that while the local HRSDC was largely responsible for funding local community-based workforce development services, it demonstrated visible leadership in ensuring the availability of a vast array of community-sensitive services until “the HRSD boondoggle…that sparked that accountability review…They’re not as present around the tables anymore” (confidential interview).

**The Province: Apprenticeship and Job Connect (MTCU)**

Since taking over responsibility for active labour market policy and program delivery, the Ontario Ministry of Training, Colleges and Universities (MTCU) has begun to provide a range of supports aimed at facilitating the transition to employment for unemployed workers consolidated under the banner of Employment Ontario. Though there are several different program and funding streams for individuals, the two core programs appear to be Apprenticeship Training and Job Connect. The Apprenticeship program long pre-dated the LMDA, and under the Apprenticeship and Certification Act, local offices register and monitor individual apprentices, as well as provide information on apprenticeship, and evaluate completed journey person documents for certification at the local level in Hamilton.

The Job Connect program is delivered via contract at the local level to various service providers, and often in separate locations, for youth (15-24) and adult workers. It is intended to match job seekers with employers by offering a broadly defined range of services intended to “respond to the employment and training needs of individuals and the skilled labour needs of employers”, through three separate components. The Information and Resource Service provides employment information on careers and occupations, the local labour market, training opportunities, and job search strategies. Employment Planning and Preparation provides individual support to clarify employment needs, developing an action plan, and searching for a job, and Job Development and Placement Support provides employment placements for work experience or on-the-job training. Along with the Ontario Works program (Ministry of Community and Social Services), Job Connect is the

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158 Though services for both age groups are increasingly consolidated in a single location. For example, Community Training Solutions at Mohawk College delivers both youth and adult Job Connect programs.

159 A detailed description of the Job connect program is available at Employment Ontario, [www.edu.gov.on.ca](http://www.edu.gov.on.ca). While the first component is available to anyone, eligibility for the second and third components requires that individuals be 16, out of school, unemployed and not receiving EI benefits.
primary provincial funding mechanism for training for individuals who are not eligible for EI. Job Connect programs are offered in each of the colleges located in each of the cities under examination in the study.

**Joint Province/Municipality: Ontario Works**

Ontario Works is the primary mechanism that provides income supports and employment assistance to individuals in financial need, who are ineligible for EI benefits. The introduction of the Ontario Works program by the Harris government in 1997 marked a distinct shift in welfare policy in Ontario; a shift in emphasis away from passive income supports toward employment programs for welfare recipients was coupled with the realignment of social services that downloaded responsibility for social services to the municipal level. While the provision of basic “life skills” programs were always part of social welfare services, employment programs were not, and were typically only delivered in larger municipalities to small numbers of people. The emphasis on employment that increased throughout the 1980s, began to reflect an increasing policy emphasis on “self-sufficiency” for social assistance recipients. The Ontario Works program made participation in employment focused activities compulsory, and welfare programs became “welfare-to-work”, or “workfare” programs that required all recipients, regardless of individual circumstance, to demonstrate participation in employment-oriented activities. Based on the assumption that “participants are better off working than they are on social assistance”, and “to help people get back to work as quickly as possible”, currently, “all recipients of Ontario Works are required to participate in one or more employment assistance activities as a condition of eligibility for financial assistance [emphasis added]” (Ontario Ministry of Community and Social Services, Ontario Works program, www.mcss.gov.on.ca). These include a range of programs and services including skills assessments, resume preparation, and referral to job counseling or training, literacy and essential skills screening and training, high school completion programs for young parents aged 16 to 21, volunteer community placements, and self-employment supports.

160 Individuals with physical disabilities are given financial assistance through the Ontario Disabilities Support Program, under which participation in employment programs is voluntary.
Ontario Works is cost-shared by the Ontario and municipal governments. Social welfare policy is determined at the provincial level, but individual programs are administered, delivered, and largely funded by municipalities. The introduction of Ontario works in 1997 also marked a major change in the delivery of social assistance through the Local Services Realignment (LSR), which resulted in the downloading of the costs and administration to certain programs to municipalities. Municipalities are now mandated to provide a range of programs including Ontario Works and the Ontario Disabilities Support Program (ODSP), which are cost-shared. The LSR was intended to be “cost neutral”, but many municipalities struggle with trying to fund mandated social services from the local property tax base.  

Nonetheless, in this context of welfare restructuring and the emphasis on employment for welfare recipients, significant new resources have become available to municipalities for the delivery of the Employment Assistance component of Ontario Works, which has led to a dramatic increase in the scale and range of employment programs. The Ontario Works program typically has several resource centers throughout the city that offer a range of “pre-employment”, or basic work skills programs targeted at different client groups such as sole support parents, and youth up to the age of 25. The “Skills to Work” program provides workshops and individual counseling to help people determine their interest in skills training, and what training they want to pursue but “they have to present us with a plan, there has to be jobs at the end of it” (confidential interview). The Access to Opportunity program provides basic pre-employment supports such as resume writing, job search, and labour market research supports, an employment placement program provides jobs to place clients into. People who seek self-employment can get support to develop individual business plans, and those who are not ready for paid employment, can get community volunteer placements to help them gain work experience. New programs are

161 Municipalities that face economic downturns, argue that funding social services through the local property tax base is untenable. For example, the Hamilton labour market has been experiencing a significantly higher contraction than the rest of the province, which “could present the with an unforeseen rise in demand for OW as a result of job losses, just as revenues from property taxes decline due to industrial closures” (Centre for Community Study, 2006, iii). Unemployment combined with the pressures of changing demographics (immigration, aging), the need for infrastructure investments and urban revitalization, and a shifting economic base, put Hamilton in the stressful position of trying to fund these competing demands.
being developed in the area of accreditation for foreign-trained professionals, as well as job retention strategies to encourage people who “cycle in and out of welfare” to keep their jobs. All programs are client-centred in the sense that they are intended to identify individual capabilities and provide the appropriate services accordingly - “we do screening and matching and everything that goes along with that” (confidential interview). However, because “the ultimate goal in all of these is financial independence”, OW employment services remain focused on getting people to find a job as quickly as possible so they can “stay off the case load” (confidential interview).

**Community Colleges**

When asked about major players in workforce development in each city, the local college was invariably mentioned in a variety of contexts, suggesting that colleges make a rich multi-variate contribution to the local labour market. Community colleges throughout Ontario offer an vast array of programming that targets an equally vast array of students. Like all post-secondary institutions, they are self-governing, but broad operating policies and procedures, and funding are determined at the provincial level by the Ministry of Training, Colleges and Universities. Again, the intention here is not to capture this entire range of offerings, but to characterize colleges’ contributions to local workforce development by tracing the mandates, objectives, and offerings of several selected programs which include corporate training, academic upgrading, co-op, English-as-a-Second Language (ESL), and diploma and apprenticeship programs. In all cases, each department or program shares three distinct orientations: they are student-focused; seek to provide job laddering and career pathways; and seek to link students directly with employment opportunities.

Corporate training programs make use of college resources and faculty expertise to offer customized training to business and industry, non-profit organizations, and government agencies. On the community side, colleges provide academic upgrading or “second chance” education and training programs which include a vast array of ongoing youth and adult academic upgrading programs, employment and career services such as skills assessments (such as the Testing of Workplace Essential Skills or TOWES), employment assistance, and various language instruction programs for internationally trained individuals (including Language Instruction for Newcomers to Canada or LINC), as well as specialized skills upgrading and retraining initiatives. Acting as a an intermediary that seeks to link
employers and people looking for jobs – “working in our community and talking to them about the issues around re-employment strategies, helping individuals with employment transition to get entry level positions, helping youth and some of the marginalized groups in the community [position themselves] so they are better able to act on [labour] market opportunities that are available” (confidential interview) – is a core objective of college academic upgrading programs.

Co-op programs function as another mechanism that links employers and job-seekers. College co-op and career services departments deliver a range of career planning and employment services including individual career counseling, job search support (resume writing, etc.), co-op placements, as well as liaison with local and non-local employers who recruit college graduates. For example, of the 400 employers in the Mohawk College database who hire both co-op students and graduates, most tend to be located in Hamilton, Burlington, and Toronto, though increasingly, some students get placed farther afield depending on their area of study. Apprenticeship training is regulated jointly through the college, the employer, the associated union (where applicable), and the college under the Apprenticeship Act. Many colleges have recently expanded their co-op offerings to selected other programs with the development of a “co-op pre-apprenticeship” in Pre-Apprenticeship Training Programs.162

All colleges in Ontario are also closely linked with employers through Program Advisory Committees, which are formally mandated by MTCU to ensure industry input into the curricula of diploma, certificate, and apprenticeship programs. This is perceived to make the college more agile in responding to labour market demands, because “industry people lend their expertise for programming and what type of students they’ll need, and the new niches emerging in the [labour] market (confidential interview).”

162 For example, Mohawk College’s Pre-Apprenticeship training is funded by Employment Ontario, and is delivered at the Stoney Creek and Brantford Campuses. It offers a way for people interested in a particular trade to get some preliminary training, education and job experience before committing to a full-time apprenticeship, and include academic upgrading and pre-apprenticeship trades-specific training and a mandatory on-the-job work experience component.