Under the Radar: Workforce Development Networks and Urban Governance in Ontario

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Introduction

Cities are at the frontline of efforts to address growing social problems, but balancing economic growth with social welfare has become an extremely complex and challenging exercise. Recent devolution of social welfare responsibilities means that cities are challenged to address the dual exigencies of social welfare and economic development, often, as in the Canadian case, without the requisite political and fiscal resources, with potentially negative consequences for social cohesion (Kearns and Forrest 2000; Kearns and Paddison 2000; Bradford 2005, 2007). There is a great deal of pressure on governments, regardless of the level at which they operate, to design and implement innovative, effective, and cost-efficient policy responses to increasingly complex and elusive public problems. In this context, cities have begun to attract a great deal of political and analytical attention as emerging “strategic spaces” where public policy plays out “on the ground” (Bradford, 2005, 1). The recent urban governance literature has begun to suggest not only that cities are where public problems are most visible, but also where they are most effectively addressed.

Workforce development policy offers the potential to straddle the divide between economic development and social welfare exigencies in cities (Giloth 2004a; Melendez 2004; Harrison and Weiss 1998). Much attention has recently been focused on the critical importance of skilled workers to economic growth and innovation, as well as to the poverty-reducing impacts of education and training for unemployed and low-skilled workers. Workforce development goes beyond traditional supply-side approaches that emphasize the education and training of individuals, to establish direct links between the supply of potential workers with the demand-side of firms who require their skills. Because “labour markets are primarily local” workforce development initiatives are designed and implemented at the urban level through ‘bottom-up’ community networks (Giloth 2004a). Community-driven workforce development networks are collaborative arrangements between local community-based actors such as education and training institutions, social welfare organizations, and government officials, as well as the local business community, 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 robust and inclusive views of community economic and social development. Rather than ‘work-first’ approaches that place unemployed workers in low-skilled, contingent, and ‘precarious’ jobs to meet eligibility requirements for income supports, workforce development networks provide individuals with access to career pathways designed to lead to high quality, stable, ‘family-sustaining’ jobs in local firms (Giloth 2004a, 2004b; Harrison and Weiss 1998; Melendez 2004; Fitzgerald 2004).

The central question of whether or not 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 social and economic forces occurring outside of their control. Graham et al. (1998) observe that the local level is under-theorized in the Canadian context. Wolfe and Creutzberg (2003) observe that 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 at the city-region level. What urban studies do exist, tend to focus on the formal governmental level while ignoring interactions between state and non-state actors in governance networks, or on only the largest cities such as Vancouver, Toronto, and Montreal. Most comparative studies tend to occur at the inter-provincial rather than the inter-municipal level. Finally, most studies are confined to the Canadian context. This is exacerbated by the fact that 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 and ‘wicked’ public problems within different institutional contexts, Canada is rarely included in these comparative studies. Comparative studies of urban governance need to expand to include the Canadian case, but we first need a better understanding of how the dynamics of public policy play out within Canadian urban settings before we can compare these dynamics to those in other national jurisdictions.
The purpose of this study is to begin to map out the relatively new territory of urban governance in Canada, using the case of workforce development networks in three medium-sized cities in Ontario. Rather than testing hypotheses arising from grounded theory, this study is pre-theoretical and exploratory and seeks insight into ‘bottom-up’, community-driven approaches to urban governance. It asks the central question of whether or not cities are responding to local social and economic development exigencies by developing their own workforce development strategies, and if so, how are these efforts ‘playing out on the ground’? As such, the dependent variable of the study is the workforce development networks that do - or do not - operate in each of the three cities. 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, or ‘plays out on the ground’. These questions are informed by several theoretical and discursive debates that go to the heart of attempts to locate cities’ efforts to chart their own courses for economic and social development within the context of broader and more complex forces that continually drive and shape rapid and profound economic, social and political change. It engages with three separate literatures, each of which address questions of political autonomy and social inclusion, but provide different lenses through which to analyze them.

Two theoretical approaches emphasize ‘top-down’, macro-institutional and normative constraints to locally-driven governance innovation. Neo-institutional analyses of Canadian labour market policy trace failed attempts to establish collaborative national and provincial labour market policy frameworks that occurred at federal and provincial levels throughout the 1990s, and argue that path dependent institutional logics shape and constrain policy experimentation at all levels of government. 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 another perspective, the ‘critique of neoliberalism’ literature 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 and results in uneven processes of social and economic development. 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). It 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 outcomes at the local level will be dominated by the interests of local capital at the expense of local social welfare considerations.

In contrast, the urban governance literature emphasizes ‘bottom-up’ urban political agency. In other words, while acknowledging the larger macro-economic and macro-institutional contexts within which cities operate, they are interested in the process by which networks and coalitions of community-based actors organize themselves to make collective strategic choices about how local economic and social processes should unfold (Stone 1989, 2005; Pierre 1999, 2005; John and Cole 2000; Harding 1999; Savitch and Kantor 2002; Clarke and Gaile 1998). In the context of workforce development networks, an urban governance perspective would predict that regardless of the absence of an institutional framework that supports local workforce development networks, 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.

This study takes a comparative urban governance approach which 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). An urban governance approach provides a framework for the analysis of the intersection of ideas, interests, and institutions at the urban level because it identifies the norms and values that structure urban governance processes, the “cast of actors involved in shaping the urban political agenda”, and the governance arrangements that do – or do not – result (ibid., 452). The study is guided by three primary research questions each of which relate to the central question of local political agency or the degrees of freedom for ‘bottom-up’ local workforce development efforts. First, we ask if there is variation in workforce development activities across the three cities. Next, we ask about the extent to which these cities develop coordinated, community-wide approaches to workforce development. Finally, we are interested in the extent to which local workforce development initiatives attempt to balance social welfare and economic development considerations.

Research Design and Methodology

The research design allows the comparison of the three medium-sized cities of Hamilton, Ottawa, and Kitchener-Waterloo, each of which operate within the same macro-institutional and macro-economic policy context, and provincial and local governmental structures, but differ in relation to the organization of societal interests, local economic structures and demographic profiles. 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, OCRI. In terms of local government structures, the City of Hamilton and the City of Ottawa are both governed by Mayor and Council systems, but Kitchener-Waterloo 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.¹

The methodology employed is a comparative qualitative case study based on interviews with local labour market actors identified through snowball sampling. The empirical analysis is based on data collected from over 60 interviews across the three cities over a period of 18 months, from a range of actors involved in local workforce development, including government officials from federal (Human Resources and Social Development Canada (HRSDC)) and provincial (Ministry of Training, Colleges and Universities, (MTCU)) ministries, Training Boards, community colleges, Ontario Works (social assistance), and community-based organizations including Chambers of Commerce, municipal Economic Development officials, and not-for-profit community economic development organizations, as well as social service delivery organizations.

The remainder of the paper will unfold as follows. First, a brief overview of experimentation with collaborative governance mechanisms at federal and provincial levels in Canadian labour market policy that occurred in the 1990s will establish the policy context for the discussion. Next, a brief overview of the discursive debate between the New Localism and its critics underscores theoretical concerns about the inclusion of social welfare considerations in the context of local governance. Third, there will be a discussion of the urban governance literature as it relates to workforce development at the local level. The fourth section will provide a comparative analysis of the findings that emerge from interview data collected from local labour market actors in the three cities under examination. The paper will conclude with a discussion of how these findings relate to predictions about local workforce development initiatives that emerge from the three literatures under consideration.

Macro-Institutional Constraints: A (Very) Brief History of Labour Market Policy in Canada

Beginning in the mid-1980s, two major policy changes radically re-oriented the pattern of federal-provincial interaction over labour market policy. In response to demands for economic adjustment assistance that emerged from the debate over Free Trade, and commensurate with their preference to involve private sector actors in adjustment policy, the Conservative government under Mulroney commissioned the establishment of the bi-partite Canadian Labour Market and Productivity Centre (CLMPC) in 1989. This bi-partite board was to provide consultation on labour market issues, to reform the Unemployment Insurance program in order to re-direct some of its expenditures toward worker training, and to oversee the implementation of a national labour market policy based on a multi-partite labour force development model. The Canadian Labour Force Development Board (CLFDB) was a formally mandated multi-stakeholder governance mechanism based on equal representation of business, labour and social equity groups, and was intended to oversee the implementation of similarly designed Labour Force Development Boards (LFDBs) in each province, and Local Labour Force Development Boards (LLFDBs) in each major Canadian municipality.² Concurrently and independently, some provincial governments were working on their own collaborative policy experiments, notably the NDP’s Ontario Training and Adjustment Board (OTAB) and the Parti Quebecois’ Societe Quebecoise de la Main Oeuvre (SQDM), each of which sought to implement their own “neo-corporatist” governance models. In the end, these experiments were notable for the fact that they were even attempted in the first place, as

¹ 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.
² The CLFDB 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 minorities, as well as 1 non-voting representative from each province.
much as for their failure. Analyses variously attribute the failure of these experiments in collaborative or associative governance at both federal and provincial levels to federal-provincial jurisdictional conflict, an adversarial industrial relations system, constitutional ambiguity, bureaucratic resistance, partisanship, and ‘hyper-pluralism’ (Tuohy 1992; Haddow 1995, 1998; DiGiacomo 2001; Bakvis 2002; Bradford 1998; Wolfe 1997; Klassen 2000).

Not much later, in a move that appeared in some ways to “go against both history and the prevailing view of the importance of worker training”, the federal Liberals under Chretien 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).³ 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).⁴ 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.⁵ Ultimately, 5 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-management agreements. The exception was Ontario, which did not negotiate an agreement until November 2005.

In the absence of a formal LMDA for the past ten years, labour market policy in Ontario has been patchy and inconsistent, and marked by incremental policy fiddling rather than major reform (Haddow and Klassen 2006). When the Ministry of Training, Colleges, and Universities (MTCU) took over the administration of active labour market policy – or skills and employment training programs – service delivery was re-organized and is now administered on a regional basis that includes four Ontario regions. There is no explicit mention of, or attention to, the local level in the current Ontario labour market policy framework.⁶ Nonetheless, a vestige of the ambitious collaborative experiments based on labour force development boards in the 1990s still survives, mostly ignored but still intact. A system of 21 Local Training Boards, launched in 1994 and still jointly funded by HRSDC and MTCU, remain active at the local level, mandated somewhat ambiguously to “foster the development and implementation of local solutions to local issues” (www.localboards.on.ca). Though they have little authority to implement programs, and tend instead to gather information about the local labour market, these local boards function ‘under the radar’ of provincial policymakers, but there is empirical evidence to suggest that they can act as important workforce intermediaries in their communities.

³ 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.

⁴ 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.

⁵ For a more detailed discussion of the substance of these agreements see Bakvis 2002, pp. 207-209.

⁶ Confidential interview.
Framing the Discursive Debate: The New Localism and Its Critics

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 ‘New Localism’ (Bradford 2007). In its broadest sense, the ‘New Localism’ is a somewhat loose term that attempts to capture a wide-ranging and multi-disciplinary literature that, despite a diversity of theoretical, empirical and normative lenses, 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.

The multi-disciplinary literature captured under the ‘new localism’ shares two core assumptions. First, the increasing complexity of public policy has driven the shift from government to governance, and policymaking in horizontal, self-governing networks consisting of state and non-state actors, often in some form of public-private partnerships are seen to have largely replaced traditional, bureaucratic, hierarchical approaches. While the state is somewhat under-theorized in much of the literature on economic clusters, some 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; Amin and Thrift 1994; Hirst 1994; Cohen & Rogers 1995; Wolfe and Creutzberg 2003). Second, many economic and social dynamics are localized. Cities are seen not only as the primary engines of national economic competitiveness and prosperity, but also where public problems are experienced most acutely, and therefore, where innovative governance mechanisms are most productive. 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). This theoretical emphasis on flexible, associative forms of governance has been influential in encouraging experimentation with different locally driven collaborative governance mechanisms based on local partnerships across OECD countries, and empirical research on variation in governance arrangements and best practices is beginning to emerge (OECD 2004, 2005, 2006).

Several influential theoretical critiques of the New Localism have emerged in recent years, however, that share an overarching concern over both the philosophical and policy implications of local economic development overseen by informal self-governing networks, because they offer hazards to principles of social equity and democratic accountability (Davies 2005, Amin & Thrift 1994; Geddes 2005). In addition, the New Localism’s emphasis on the implementation of economic and social development strategies through associative governance mechanisms at the local level tends to assume high levels of local autonomy to set strategic directions for community development, and to underplay the impact of macro-economic and macro-institutional constraints. Local governance mechanisms raise concerns about the exclusivity of networks, and the danger of the capture of policy agendas by narrow interests, which

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7 Inspired by regions that have built successful ‘high tech’ clusters such as Silicon Valley and Boston/MIT, the literature on economic clusters emphasizes that the technological innovation that drives economic growth and competitiveness is underpinned by self-governing 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).
have important negative implications for norms of democratic accountability and representation. One of the primary lines of critique is that the New Localism’s emphasis on economic development privileges the interests of capital over other state and societal interests, and ignores power relations and political conflict that “abstract from the messy real world of politics” (Markusen 2001, 294; Liebovitz 2003; Davies 2005). Building institutions, particularly socially inclusive ones, involves power and conflict, and political processes such as mobilization and coalition-building - precisely the hard part - that much of the new localism tends to ignore (Liebovitz 2003). Local governance arrangements can just as easily be precluded by local political conflict as facilitated by trust, reciprocity and social capital.

Workforce Development or ‘Workfare’?: The New Localism and Labour Market Policy

For the purpose of this discussion, perhaps the most critical element of the discursive debate between the New Localism and its critics centres on the dismantling of the Keynesian welfare state and significant shifts in state responses to social welfare policy; what many refer to as the shift from welfare to ‘workfare’ (Peck 2001). 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 a key factor advantage. The attraction and retention of ‘creative knowledge workers’ or ‘talent’ is seen to have strong potential to both attract mobile global investment, as well as generate economically viable indigenous economic activities (Florida 2005). 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; Saunders 2008). Urban labour markets increasingly exhibit a service sector divide between high-paying, ‘knowledge-intensive’ jobs in for example 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), and income polarization and poverty is most concentrated in neighbourhoods in big cities (Bradford 2005, 2007).

Recent policy attention to active labour market policy for low-skilled workers can be understood in this context. Governments operating at all levels, across 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 support, a dynamic that plays out most obviously in cities where economic growth and income polarization is 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 2004, 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). Declining real wages, difficult and insecure working conditions in contingent jobs, and

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8 This line of critique is especially well-developed in the British case, where local governance mechanisms have been an important policy tool of the Blair administration’s ‘Third Way’ approach. As discussed above, partnerships seek 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 have been a cornerstone of New Labour’s Third Way agenda to modernize British local government. Emerging critiques of this form of community organization, however, suggest that partnerships arrangements do not necessarily ensure, and can work against, broader public participation, and that inclusive mechanisms need to be built in to the partnership process in order to secure broader, more inclusive community involvement (Lowndes and Sullivan 2004).
diminishing social benefits mean that workforce development is as much a social policy as it is an economic one, and

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 (Giguere 2008; Clarke 2004).

Critics, of the social welfare dimension of the New Localism, however, are 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 (Rutherford 2001; Peck 2001; Davies 2005; Considine 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, and neglects both the complexities of social and education 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 (Kearns and Paddison 2000). 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. 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).

Straddling the Social Welfare/Economic Development Divide: Local Workforce Development Networks

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; Haddow and Klassen 2006). 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 need to match the supply of workers with firm demand (Ashton and Green 1996; Crouch et al. 2001; Clarke and
Emerging from 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 economic regional and local development strategies and workforce development for under- or unskilled workers. Rather than a sole emphasis on supports to firms, it was argued that redevelopment strategies should also include education and training programs for displaced workers. At its most ambitious, this approach to local 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 Weiss 1998; Harrison and Glasmeier 1997).

Experience indicates that the most successful local workforce development initiatives are “comprehensive, networked, and interventionist” (Loewen et al. 2005, 12). Workers find jobs through networks which 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 to co-ordinate 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” (Giloith, 2004a, 3). The most successful networks encompass a wide range of local labour market stakeholders, and 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” (ibid., 7).

Local workforce development networks are developed and nurtured by ‘workforce intermediaries’ that link up labour market actors – individuals, training providers, community-based organizations, and firms – that would not otherwise interact (Nativel 2006). 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” (Giloith 2004b, 5, 7). Rather than acting as a single purpose mechanism, they seek to co-ordinate services across a community (Giloith 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).

9 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 2006, 63).
Theorizing Public Policy in Cities: Workforce Development Networks and Urban Governance

Urban governance theory approaches questions of local political agency empirically, and allows us to focus on local networks – in this case, workforce development networks – as the dependent variable. 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). In this sense, much of the more influential research on local workforce development emphasizes the notions of civic capacity, 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).

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).
This study draws its analytical framework from urban governance theory because it allows us to capture the variation in how local actors organize themselves to solve collective problems. As a conceptual approach, it offers “greater analytical purchase than alternative models of explanation in urban politics” because it 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).

The question of which political objectives shape urban governance is an inherently empirical one. This study asks 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. 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). Questions about social inclusion highlight how the processes of conflict and cooperation play out in individual cities. 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. Urban governance theory emphasizes that different macro-institutional contexts strongly shape how governance structures operate, but isolates political choice as a key variable that accounts for variation in urban governance structures and outcomes. Furthermore, norms and values embedded in local institutions are closely linked to political objectives and policy outcomes (Pierre 2005; DiGaetano and Strom 2003).

Different governance arrangements favour different political objectives, organizational strategies and key participants, and conflict over which structures to adopt is more likely than consensus, 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” (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. Regulationist critiques of neoliberalism emphasize the ‘entrepreneurial’ orientation of cities and the emphasis on local economic development strategies (Geddes 2005; Considine 2001; Peck and Tickell 2002). Urban governance studies have shown, however, that 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 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).

Variation in urban governance patterns is evident between cities in different national contexts, as well as between cities within the same national context, but structural, cultural, and rational actor-based analyses are 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.
The role of civic leadership emerges in attempts to account for how political choices about urban governance structures are determined. DiGaetano and Strom (2003) attribute variation in governance arrangements to choices made by local leaders. According to Stone (1989) in ‘governing coalitions’, the success of political actors depends on their ability to forge alliances with others actors because a broad range of political resources is required to accomplish modern governance tasks. Coalition formation is dependent on leaders, or “political entrepreneurs” who can seize opportunities to forge effective coalitions. These public-private partnerships “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”, and then to “formulate and implement local policies that will address the challenges of governing cities” (376). True “boundary spanners” who can mobilize a vast array of disparate actors into a stable coalition, however, are rare. 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” (DiGaetano and Strom 2003, 371).

**Mapping the Dependent Variable: A Comparison of Workforce Development Networks in Hamilton, Kitchener-Waterloo and Ottawa**

The discussion will now shift to an empirical analysis of the theoretical propositions outlined above. To recap, the three core research questions that inform this study of local workforce development in medium-sized Ontario cities each attempts to uncover a different dimension of local political agency, or the ‘degrees of freedom’ that local communities have to chart their own courses for economic and social development by measuring variation in cities’ workforce development efforts, characterizing this variation, and offering some preliminary observations about the extent to which local communities attempt to balance social welfare and economic development considerations.

**Hypothesis 1: Predicting Variation in Workforce Development Initiatives**

**Is there variation in the workforce development activities across the three cities?**

This question seeks to uncover initial evidence of political agency in each of the three cities under examination. While a lack of variation would support the literature that emphasizes macro-institutional constraints, variation in workforce development efforts would suggest that there is some measure of autonomy to develop strategic workforce development plans. Drawing from arguments about local political agency in the urban governance literature, we predict that the three cities in the study will demonstrate variation in the strategies they create to deal with the development of their workforces. We hypothesize that this variation will be evident in relation to four indicators: a) municipal strategic plans that include an explicit workforce development component, b) support from local governments in the form of funding and/or formal recognition on the local political agenda, and c) the number and type of formal or informal workforce development networks operating at the city-regions level, and d) the existence of a formal, central community workforce development governance mechanism.11

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11 The purpose of the research was to map out the primary networks devoted to local workforce development as self-defined by each community, rather than to exhaustively identify each local actor. As a result, this characterization of the number of formal and informal networks operating in each community is somewhat stylized, and by no means captures all actors and organizations operating in the area of adult education and training in each community. It does capture the primary networks identified by interviewees. This number may change in the course of follow-up interviews, particularly in the case of Ottawa.
Table 1.0: Variation in Organization of Local Workforce Development Initiatives

<table>
<thead>
<tr>
<th></th>
<th>Hamilton</th>
<th>Kitchener-Waterloo</th>
<th>Ottawa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Strategic Plan</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Local Govt Support</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>(Funding, agenda)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Workforce</td>
<td>HR Matters</td>
<td>No</td>
<td>Talentworks</td>
</tr>
<tr>
<td>Development Network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constituent networks</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>(HTAB, IEC, Intergovernmental Employment Group)</td>
<td>(WRIEN, Community Employment Linkages)</td>
<td>(OCRI, United Way/ LASI)</td>
</tr>
</tbody>
</table>

Table 1.0 outlines the key findings in this area, which indicate that there is variation in workforce development activities across the three communities. Results indicate that Hamilton and Ottawa both have strategic plans around workforce development, as well as political support for these initiatives. In each community, 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 Matter’s: 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, 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), followed 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, each workforce development initiative enjoyed political support in the form of core funding and brief attention from municipal politicians. It is, however, important to note that at this point in time, HR Matters is undergoing a transition with the departure of the Executive Director of the IEC, and its current activity level is unclear. Though the formal entity still exists, Talentworks has been largely inactive since 2004. In contrast, none of the municipal or regional governments in the Kitchener-Waterloo city-region address workforce development in their strategic plans, or support a central workforce development network. Any workforce development activity appears to be occurring by voluntary activities of business associations and community-based organizations.

Constituent Networks as Workforce Intermediaries

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. As...
discussed above, workforce intermediaries (WIs) are central to the process of matching jobseekers with local employers (Giloth 2004b). WIs 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. The findings of this study suggest that what we refer to as “constituent networks” provide an important intermediary mechanism that supports the establishment of larger, community-wide networks. Each community has at least three identifiable constituent networks that organize local sets of workforce development actors. These networks vary according to their structure (open or closed), level of organization (formal or informal), size (large of small), and funding structure (funded or non-funded/voluntary).

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 is one of 21 training boards overseen by the Ministry of Training, Colleges and Universities (MTCU) and co-funded by MTCU and Human Resources and Skills Development Canada (HRSDC). Its formal governance structure is based on equal representation between labour and business, as well as education and community groups at the local level, it holds regular meetings, 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) is also a formal organization that 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), the Prosperity Council of Waterloo Region, 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). Community Employment Linkages is a group of local social service providers who meet regularly but informally and voluntarily to share information and best practices, and to coordinate workforce development activities. The group is driven by Lutherwood (a large non-for-profit health and social service organization that provides mental health, senior services, and employment services) an 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.

Preliminary results suggest that Ottawa has at least two constituent networks (subject to further research). The Ottawa Centre for Research and Innovation (OCRI), 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

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13 Similarly, the Workforce Development Task Force of the Prosperity Council of Waterloo Region (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) shows evidence of formal organizing around strategic workforce development issues in the “Post-Secondary Task Force” (made up of representation from five local employers, Waterloo and Wilfred Laurier universities, and Conestoga College) but there appears to have been little evidence of activity beyond an initial meeting in 2004 so it is unclear if this group is still functioning (www.prosperitywaterloo.com).
Ottawa in The Ottawa Partnership (TOP) to manage Ottawa’s economic development strategy (www.ocri.ca). Beyond the currently dormant Talentworks, OCRI’s workforce development activities concentrate on educational outreach activities. A second network 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.

To recap, each of the three communities has two or three constituent networks that organize different subsets 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 important to re-iterate that the results of this study cannot capture changes in network activity over time or outcomes of network activity. It is relevant to the discussion, however, to note that the current activity of HR Matters and Talentworks each seem to have attenuated somewhat; HR Matters appears to be in transition due to the departure of its Executive Director, and Talentworks has been largely dormant since 2004. Nonetheless, the data do suggest that there is variation in the level of coordination and the level of social inclusion in these networks.

Hypothesis 2: Predicting Network Capacity

Do Ontario communities establish coordinated community-wide workforce development networks?

Establishing variation is only one indicator of political autonomy, and does not, in itself, take us very far. The interesting part is how and why the variation occurs, and most importantly, what it means for the capacity to establish coordinated workforce development networks. The existence of a network says nothing about its capacity to effect local change. While there may be variation in how communities address workforce development, it is a separate question as to whether or not they develop governance mechanisms to coordinate workforce development efforts. For this, we look to the patterns of interaction between local constituent groups. The ‘macro-institutional constraints’ literature would predict either that autonomous networks will not form, or that what networks do form will reflect the patchy and fragmented nature of labour market policy operating at higher institutional levels. In contrast, the urban governance literature assumes that the interaction of local institutions and societal interests shape local governance outcomes, and draws attention to the interaction between state and non-state actors at the local level. Drawing from arguments about network formation in the urban governance and workforce development literatures, we predict that there will be evidence of coordination of community workforce development agendas, but that this will vary according to the level of coordination between constituent groups. Drawing from the urban governance literature on governance networks (John and Cole 2000; Clarke and Gaile 1998), the workforce development literature (Giloth 2004a, 2004b), and the civic leadership literature (Wolfe and Nelles, 2008), we hypothesize that this variation will be attributable to four primary indicators: a) differences in the organization of societal actors, as indicated by central and constituent networks, b) cross-membership of constituent networks, c) the participation of influential workforce intermediaries, such as, but not confined to, training boards and community colleges, and d) the presence of civic leaders or ‘champions’ who act as boundary spanners between constituent groups.
Table 2.0: Mapping Network Coordination

<table>
<thead>
<tr>
<th></th>
<th>Hamilton</th>
<th>KW</th>
<th>Ottawa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central WFD network</td>
<td>HR Matters</td>
<td>None</td>
<td>Talentworks</td>
</tr>
<tr>
<td>Constituent networks</td>
<td>HTAB, IEC, Intergovernmental Employment Committee</td>
<td>WRIEN, Community Employment Linkages</td>
<td>OCRI, United Way/ LASI</td>
</tr>
<tr>
<td>Cross-membership</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Civic champions (boundary spanners)</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Colleges</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Training Board</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Structure</td>
<td>Overlapping</td>
<td>Siloed</td>
<td>Fragmented</td>
</tr>
</tbody>
</table>

Hamilton: Overlapping Networks

Table 2.0 suggests that there is variation in the coordination of community-wide workforce development networks, and that this variation is attributable to local factors. In Hamilton, there is substantial cross-membership and overlap in the three main constituent groups. 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. 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, among others. 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 a central mechanism designed to facilitate the development 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. Civic leadership is evident not only in the boundary spanning efforts of the leaders of constituent networks to collaborate on a community-wide workforce development strategy, but also in the vocal support that key players gave to the initiative at community events and in the media. Apart from the IEC and HTAB, Mohawk College was a founding member of HR Matters, and continues to be an active supporter of IEC initiatives. Because of the active participation of all three constituent networks, as well as an influential intermediary – the local college – and the presence of large local employers in the central workforce development network, HR Matters, Hamilton’s network is referred to as “overlapping”.
**Kitchener-Waterloo: Siloed Networks**

As established in Table 1.0, Kitchener-Waterloo does not have a formal, municipally-supported central workforce development mechanism, nor does it have 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, its mandate appears to be relatively narrow, and focuses 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, however, it does not actively seek the input or participation of other community groups, including, apparently, immigrant settlement organizations.  

The Community Employment Linkages group, on the other hand, 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 have different main objectives and have little interaction with each other, this region is referred to as “siloed”.

**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 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

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14 This observation is provisional, and subject to follow-up interviews.  
15 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.
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”.

Hypothesis 3: Predicting Social Inclusion

**Do local workforce development networks reflect efforts to balance economic development and social welfare considerations, or are they dominated by the interests of one over the other?**

Recent valuable contributions to theoretical discussions about local governance re-focus attention on to a critical dimension, which tends, at times, to be obscured – 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 (KNWS), 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).

Like Pierre, we argue here that the extent to which local governance arrangements 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. 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). However, the whole idea of linked up community-wide workforce development mechanisms that match up the supply of educated and trained workers with high quality, ‘family sustaining’ jobs in local firms is extremely nascent in the Ontario context, and therefore, we predict variation in the extent to which communities seek to balance social welfare and economic development considerations within local workforce development networks. It must be noted here that this reflects only a preliminary, and somewhat cursory analysis of early trends emerging in the data. It focuses on the relative social welfare or economic development orientation of each network, the extent to which social welfare, economic development or both considerations were emphasized by interviewees, and the general impressions reported by interviewees in each region.
Table 3.0: Mapping Social Inclusion and the Organization of Societal Interests

<table>
<thead>
<tr>
<th></th>
<th>Hamilton</th>
<th>KW</th>
<th>Ottawa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization of economic development</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization of social welfare</td>
<td>High</td>
<td>High</td>
<td>Weak (?)</td>
</tr>
<tr>
<td>interests</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overlap</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Dominant Discourse</td>
<td>Social welfare</td>
<td>Balanced but not overlapping</td>
<td>Economic Development</td>
</tr>
</tbody>
</table>

Table 3.0 gives a preliminary indication of the extent to which constituent groups of local workforce development interact at the community level to balance social welfare and economic development demands. Hamilton lacks a private, not-for-profit community economic development corporation, which 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 is 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

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16 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.

17 Though Communitech does run a business-education partnership, it focuses narrowly on career exploration for youth in high skill and highly educated occupations.
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 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 is overseen 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, 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 an active 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. At this point in the research, 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.

In summary, in none of the three cases is there a community-wide workforce development network that links up – or ‘boundary spans’ – between social welfare and economic development constituent networks. Though Hamilton appears to have some overlap, it is only with a very limited number of firms. In addition, it is not clear that the HR Matters network has been sustainable over time. While Kitchener-Waterloo appears to have balanced economic development and social welfare discourses, there is no boundary spanning activity between the two. Ottawa appears to have strong economic development networks but somewhat weak social welfare networks, suggesting that economic development discourses may be dominant. This is somewhat consistent with Pierre’s (1999) typology of urban governance which divides urban governance institutions into four general types or models: managerial, corporatist, progrowth, and welfare. Though again, the analysis is preliminary, 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 is apparent in both of these cities.
Conclusion: Workforce Development Networks Fly ‘Under the Radar’ in Ontario

Anyone with more than a cursory knowledge of the history of active labour market policy in both Canada and Ontario gets a certain sense of déja-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, 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 (CPRN 2007; Saunders 2007, 2008). 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. Closer attention to the dynamics of how workforce development policy plays out ‘on the ground’, however, may provide some guidance on how to navigate this surprisingly complex policy field.

The purpose of this study was to establish if variation existed in local workforce development efforts in three medium-sized Ontario communities, and if so, to characterize the nature of this variation. The results of this study suggest that there is indeed variation in workforce development activities across the three cities, that some cities have better developed networks than others, and that this variation can be at least partly attributed to local factors such as the organization of social interests in constituent networks, the presence of influential intermediaries, and boundary spanning civic leadership. As other comparative studies of urban governance have observed, however, “these are not success stories” – governance failures are much more common than successes (Clarke and Gaile 1998, 115). In none of the cases was a durable and sustainable locally-driven workforce development network that balances social welfare and economic development considerations by matching workers with high quality jobs in local firms, successfully established. Kitchener-Waterloo is ‘siloded’ because has robust social welfare and economic development networks, but lacks the participation of influential intermediaries and boundary spanning civic leadership to link the two. Though Ottawa has a well-developed economic development capacity and support from the municipal government, it is referred to as ‘fragmented’ because it appears to lack a community-wide social welfare constituent network (though this conclusion is subject to further research), as well as the participation of influential intermediaries and boundary spanning civic leadership.

Hamilton is described as ‘overlapping’ because it appears to have developed the most robust and extensive workforce development network, supported by the municipal government and a well-established constituent network of social service providers, as well as the active participation of influential intermediaries (Mohawk College and HTAB, and to a lesser extent, two large local employers) and civic leaders committed to facilitating these linkages. It does not appear, however, to have been successful in sustaining these linkages; the network seems fragile and appears to have been somewhat dormant since 2006. 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). Several interviewees emphasized the fact that Hamilton lacks an economic development constituent network in the form of a private not-for-profit economic development corporation like those in Kitchener-Waterloo and Ottawa, and others underscored the tension that existed between local actors in the absence of a central workforce development governance mechanism formally mandated – and funded – to coordinate and implement a local workforce development strategy.

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 privilege the interests of capital
over those of social welfare considerations. In relation to the latter, an underlying tension between economic development and social welfare does appear to manifest itself at the local level where there is little overlap between economic development and social welfare networks. Instead, the most successful community-based workforce development initiatives seem to be narrowly focused on specific issues that do not require cross-sectoral collaboration, such as WRIEN in Kitchener-Waterloo. 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 an institutional mechanism mandated by higher levels of government – in this case, the provincial level since the implementation of the Ontario LMDA 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 or – under the radar – at the community-level, but are unlikely to be durable over time.

REFERENCES


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.


