

**The Metropolitan Auckland Project:  
A Step-Change in Governance and Regional Economic  
Development in a City-Region.**

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## Contents

Contents .....	2
List of Tables.....	6
List of Figures .....	7
Attestation of Authorship.....	8
Acknowledgements.....	9
Ethics Approval.....	11
Abstract.....	12
Chapter 1. Introduction.....	14
Chapter Overview .....	14
Context and motivation for the research.....	14
Research Aims .....	21
Research Questions.....	21
Research Contribution .....	22
Organisation of the Thesis .....	23
Summary .....	25
LITERATURE REVIEW.....	26
Chapter 2. New Regionalism: A Synthesis of Governance, Institutions and Functional Economies .....	26
Overview and Introduction .....	26
Globalisation and the Importance of Things Local in Economic Development.....	28
The City-Region as a Functional Region.....	35
The Interdependence between City-Region Spaces and Economies .....	40
Governance and the Dynamics of Economic Spaces.....	42
City-Regions and Governance for Economic Development.....	47
Summary.....	51
Chapter 3. Endogenous Regional Economic Development: A Synthesis of Territorial Dynamics and the Economy .....	53
Overview and Introduction .....	53
Economic Development Theory and Practice.....	54
Regional Economic Development .....	62
Endogenous Development.....	76
Synthesis.....	85
Summary.....	90
RESEARCH DESIGN .....	91
Chapter 4. Research Design .....	91
Overview and Introduction .....	91
Philosophical Approach: Pragmatism and Systems Thinking.....	94
Pragmatism .....	94
Systems thinking.....	97
Complementarity.....	99
Mixed Methodology: Case Study and Evaluation .....	99
Single-Case Embedded Case Study.....	100
Realistic Impact Evaluation.....	102
Data Sources.....	113
Methods.....	114
Literature Review.....	115
Documentary analysis.....	115
Participant Researcher.....	116
Key Informant Interviews.....	117
Analysis.....	123
NVivo Content Analysis .....	123

Limitations.....	124
One-hour Interviews.....	124
Personal Bias as a Participant Researcher.....	125
Summary.....	126
CASE STUDY AND REALISTIC IMPACT EVALUATION.....	127
Chapter 5.    Metropolitan Auckland Project: Context.....	127
Overview and Introduction.....	127
RED Policy in Auckland 1999-2008.....	129
The ‘Boston Report’ and ‘Competitive Auckland.’.....	135
AREDS Implementation.....	136
The Governance Debate.....	143
Underlying Assumptions and Perceptions.....	155
Auckland is underperforming.....	155
Auckland needs to be an Internationally Competitive, Globally-Connected City-Region.....	161
Conclusion and Summary.....	162
Chapter 6. The Metropolitan Auckland Project: A Catalyst for Change.....	165
Introduction.....	165
MAP Rationale, Aims and Objectives.....	165
Key Components.....	170
Timeline.....	172
Evidence Base.....	173
Metro Project Governance.....	174
International Review Team.....	175
Engagement.....	176
Symposium on Auckland.....	178
International Review of the Auckland Metro-Region: The Metro Report.....	182
An Enhanced Leadership Commission for Auckland:.....	182
One Plan for Auckland:.....	185
An Investment Prospectus for Auckland:.....	188
A Jointly Owned Regional Development Organisation to Deliver Major Projects:.....	189
Labour Market Intervention:.....	194
The Regional Innovation System:.....	196
An Inclusive Region:.....	197
Distinctively Auckland.....	199
Connected Hubs and Spokes:.....	200
New Zealand’s Shop Window:.....	202
The Vital Regional Energy:.....	204
Digital Connectedness:.....	205
A Major Catalyst:.....	206
Expansion of Knowledge Infrastructure:.....	208
Bringing the World to Auckland.....	208
An Integrated Approach.....	210
Stakeholder Intentions and Expectations.....	211
Raise Awareness of the Importance of Auckland to the New Zealand Economy.....	211
Alignment of RED efforts in Auckland.....	212
Implement AREDS.....	214
A Circuit Breaker.....	215
Change Narratives.....	216
Change Behaviours.....	217
Create a Metropolitan Region: Governance is on the table.....	220

Create a Mandated RED Agency .....	222
Conclusion .....	223
Chapter 7. The Metropolitan Auckland Project: Institutions, Leaders, Partnerships and Processes. ....	226
Introduction.....	226
Key Institutions and Organisations influencing outcomes .....	227
Committee for Auckland. ....	228
ARC.....	231
IPP .....	234
GUEDO .....	236
TLAs.....	240
AREDF.....	243
Auckland Plus.....	246
Champions for Auckland.....	249
NZCID.....	251
NZTE.....	252
AREDA .....	253
People, Processes and Facets Mediating Outcomes .....	255
Personal sacrifice and risk.....	255
Leadership, Influence and Persuasion .....	257
Letter to Helen.....	262
MAP Triple Helix Partnership .....	263
Symposium Facilitation.....	269
Context, Timing and Momentum .....	270
Communication .....	272
Implementation.....	273
Conclusion .....	285
Chapter 8. Metropolitan Auckland Project Outcome Analysis.....	288
Introduction.....	288
Cause and effect.....	288
Threads .....	289
Outcome Analysis.....	291
The Metro Report Impact and Outcome Analysis.....	291
Metro Action Plan Impact and Outcome Analysis.....	297
MAP Systemic Impact.....	302
MAP CMO Framework.....	303
Governance for Auckland.....	306
Royal Commission on Auckland Governance .....	310
The Auckland Council: One Council, One Mayor, One Plan .....	313
The Auckland Plan .....	314
RED Governance, Policy and Practice .....	316
Governance for RED in Auckland .....	317
RED Policy and Strategy for Auckland .....	319
RED Practice in Auckland .....	321
Changed Narratives and Perceptions .....	322
Outcomes Not Achieved.....	323
Changed Behaviours.....	323
Partnership between Wellington and Auckland .....	326
Criticism and Unintended Consequences of MAP .....	330
Conclusion.....	334
DISCUSSION AND CONCLUSIONS .....	336
Chapter 9. Discussion. ....	336

Overview.....	336
Methodological considerations.....	336
Scope and Capacity Limitations.....	336
Retrospective Analysis.....	337
Boundary Analysis.....	338
Realistic Impact Evaluation.....	339
The Metropolitan Auckland Project: an example of New Regionalism and Endogenous Regional Economic Development?.....	341
Innovation.....	344
Partnership.....	345
Institutions.....	346
Implementation.....	347
Summary.....	348
Chapter 10. Conclusion.....	352
Overview.....	352
Governance for economic development in city-regions.....	352
Policy for economic development in city-regions.....	353
Planning for economic development in city-regions.....	355
Economic Development Practice in City-Regions.....	356
Creating a Step-Change in the Governance and Economic Development of a City- Region.....	356
Summary.....	363
Further Research.....	364
Bibliography.....	366
Appendix 1 The Metropolitan Auckland Project: Implications for Regional Economic Development and Metropolitan Governance, Interview Sheet.....	383
Appendix 2 Participant Schedule.....	387
Appendix 3 International Review Team.....	389
Appendix 4 International Review Stakeholder Engagement Week.....	390
Appendix 5 Champions for Auckland.....	391
Appendix 6 Symposium on Auckland Invitation.....	392
Appendix 7 Symposium on Auckland Mind Maps.....	394
Appendix 8 Metro Report Recommendations.....	396
Appendix 9 Letter to Helen.....	399
Appendix 10 Ulrich's Critical Systems Heuristics.....	408
Appendix 11 Participant Request Letter.....	409
Appendix 12 Participant Consent Form.....	410
Appendix 13 Participant Information Sheet.....	411
Appendix 14 Transcriber Confidentiality Agreement.....	413
Appendix 15 Map of Local Boards and Wards in Auckland 2016.....	414
Appendix 16 Map of Auckland's Seven Territorial Authorities and the Auckland Regional Council Boundaries 2009.....	415
Glossary of terms.....	416

## **List of Tables**

Table 1 Three waves of local economic development .....	46
Table 2 Changing Focus for Economic Development Policy, Planning and Strategy....	70
Table 3 Participant Roles and Worldviews .....	121
Table 4 From Traditional to New Regional Policies for Development .....	192
Table 5 Metro Action Plan Objectives and Strategies .....	276
Table 6 Metro Action Plan Actions and Timeframe .....	277
Table 7 Metro Report Impact Assessment. ....	292
Table 8 Metro Report Outcomes .....	295
Table 9 Metro Action Plan Objectives Impact Assessment .....	299
Table 10 Metropolitan Auckland Project High-Level Impact Analysis .....	303

## List of Figures

Figure 1. Auckland's governance, planning and economic development milestones 2000-2010 .....	20
Figure 2 Sources by Number of Nodes .....	119
Figure 3 Sources by Number of References .....	119
Figure 4 Data Analysis .....	123
Figure 5. Nodes clustered by word similarity .....	124
Figure 6. Regional Partnership Programme Regions in New Zealand, 2005. ....	141
Figure 7 Evolution of Auckland's Governance 1963-2007 .....	145
Figure 8. Economic Development Institutions and Networks in Auckland, 2001.....	147
Figure 9 Auckland Regional Economic Development, Governance and Planning Milestones 2000-2010 .....	154
Figure 10 Key Components of the Metro Project from 2006 .....	171
Figure 11. The Metro Project Timeline.....	<b>Error! Bookmark not defined.</b>
Figure 12. Metro Project Action Plan Governance Group.....	175
Figure 13 Enhanced Leadership Node by Source .....	183
Figure 14. Journey to a REDA for Auckland.....	190
Figure 15. Stakeholder Intentions and Expectations Node by Source .....	211
Figure 16 Institutions mediating outcomes of the Metro Project.....	228
Figure 17. People, Processes and Facets Node by Source .....	255
Figure 18. Leadership Node by Source.....	257
Figure 19. MAP Triple Helix Partnership Node by Source .....	263
Figure 20 Metro Report Implementation .....	285
Figure 21 Metropolitan Auckland Project CMO 2000-2010 .....	305
Figure 22. Governance for Auckland Node by Source .....	306
Figure 23. The Auckland Plan Node by Source.....	314
Figure 24. Governance for RED in Auckland Node by Source.....	317
Figure 25. RED Strategy and Policy for Auckland Node by Source .....	319
Figure 26. RED Practice in Auckland Node by Source .....	321
Figure 27. Changed Behaviours Node by Source .....	323
Figure 28 Partnership between Wellington and Auckland Node by Source.....	326

## **Attestation of Authorship**

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

David Ashley Wilson: \_\_\_\_\_

Date: \_\_\_\_\_



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## **Ethics Approval**

Ethics approval for this research was granted by the Auckland University of Technology Ethics Committee (AUTEC) on 4th October 2012. AUTEC Reference number 12/183.

## **Abstract.**

Internationally there has been considerable interest in how the governance structures of large cities can be designed to support economic development. The concurrent forces of globalisation and urbanisation have forced governments to consider the management, efficiency, competitiveness and sustainability of their large cities. Business leadership groups, concerned with attracting talent and investment to remain competitive, add pressure to include wider knowledge and experience in the governance of cities.

Auckland is the largest city in New Zealand, but it was considered to be under-performing economically in 2000. In 1999, a new Labour-led government initiated a series of regional development policies that were a marked departure from the previous neo-liberal period of 1984-1999. Between 2000 and 2010 a series of initiatives were undertaken to improve Auckland's economic performance. One of these initiatives was the Metropolitan Auckland Project.

This thesis had two main aims: (1) to explore the process and outcomes of the Metropolitan Auckland Project, and (2) to gain a greater understanding of metropolitan governance and economic development in city-regions. Two philosophical approaches, systems thinking and pragmatism, were used in the construction of the research. Systems thinking provided an approach to linking phenomena and identifying layers of analysis to track long-run effects. A pragmatist approach meant that methodology and methods were constructed to answer three research questions: (1) is it possible to design an intervention to act as a catalyst for a step-change in the economic development of a city-region? (2) What roles do governance, institutions, partnerships and leaders play in achieving a step-change in the economic development of a city-region? (3) What factors

influence a step-change and create long-run impacts in the economic development of a city-region?

Two methodologies and four methods were employed. A single-case embedded case study and realistic impact evaluation were used to gain an in-depth understanding of the context, processes, mechanisms and outcomes of the project. Methods for data collection were, a literature review conducted in two related domains - new regionalism and endogenous regional economic development, documentary analysis, participant research and 20 semi-structured key stakeholder interviews.

It was found that the Metropolitan Auckland Project was the catalyst for a step-change in governance and regional economic development in Auckland. This included a stronger focus on city-regional economic development governance, policy and practice, changed perceptions about the role of Auckland in the national economy, and new governance, institutional and planning arrangements resulting in a single metropolitan authority created in 2010. However, behavioural changes in new institutional arrangements did not necessarily follow, and greater subsidiarity and partnership with central government in addressing key development issues were not markedly improved.

It was also found that it is possible to design high-level interventions to enhance economic development in city-regions but that this takes careful consideration of the context for development, the partnerships formed, the institutions involved or created, the expertise required, the buy-in required, and the mechanisms employed. Seven factors that contributed to a step-change in the governance and economic development of Auckland were found to be relevant to other city-regions facing similar challenges.

## **Chapter 1. Introduction.**

### ***Chapter Overview***

This research was conducted to increase understanding of the dynamics of governance and economic development in city-regions. This introductory chapter outlines the context and motivation for the research, the aim of the research, research questions, the contribution of the research, and the organisation of the thesis.

### ***Context and motivation for the research***

The context for economic development in city-regions is often contradictory, such as increasing globalisation forces affecting endogenous forms of development. Trends towards new regionalist policies and endogenous regional economic development challenge anachronistic and hierarchical governmental structures, and challenge the way regional policies and strategies are decided and implemented.

The Metropolitan Auckland Project (MAP) was a project in a city-region designed to improve Regional Economic Development (RED) practice. At its genesis in 2005 it had three main aims; to identify the barriers to, and opportunities for, RED in Auckland, to understand and improve Auckland's role in the national economy, and to identify the unique characteristics, comparative and competitive advantages for Auckland to become a "world class city-region". In 2010, at the end of the project, seven local government authorities and the regional council were amalgamated into one metropolitan government; The Auckland Council. MAP had a profound effect on both metropolitan governance and RED in Auckland and this thesis sought to explore the nature of, and reasons for, that impact.

At the beginning of the research journey this assertion was only suspected and anecdotal. The problems associated with researching MAP soon became apparent as the project evolved, with different stakeholder groups having different agendas, and a loosely associated set of actions over a period of five years. Nonetheless there was a coherency and consistency to those actions that seemed to result in profound social change. There was also a large investment in time and resources provided to the project by many stakeholders with no established evaluative criteria at the beginning.

New regionalism and endogenous regional economic development provide two lenses through which to view development in city-regions. New regionalism with its focus on governance, institutions and the functional regional economy and endogenous regional economic development with its focus on leveraging endogenous resources to improve the functioning of the regional economy. While they overlap, these paradigms, coming from different traditions, are essentially grappling with a similar proposition; how to meld territorial (geographical, human, institutional) dynamics with economic (economistic and functional) dynamics.

Criticisms of using a city-region as the subject of investigation are primarily based on confusion around typologies and the lack of consistency in empirical definitions. This criticism is an empirical one; where questions about the generalisability of findings, and the methodologies employed in the investigation of city-regions, are important. However, there is mounting evidence, based on the evaluation of policies and practices in RED, that different forms of evidence can be used to unravel complex interrelated phenomena. In-depth case studies can be used to explore complexities, build knowledge and contribute to theoretical debates in these emerging fields of study.

A second consideration is that the lack of evaluation of RED projects undermines improvement of theory, policy and practice. For example, urbanisation places pressure on nations and cities to govern and make decisions that will determine future sustainability, economic and social well-being. Regional and local governments are geopolitical and have a major influence on the development of a region; they are actors in the economy themselves, sometimes owning strategic assets and development agencies, and developing strategies, policies and regulations that frame what is possible. It is therefore important to understand how institutions and structures shape action, and how action influences policy, strategy and structure. A lack of in-depth evaluation undermines improvement of RED theory and practice. This thesis uses Realistic Impact Evaluation (RIE) to evaluate MAP. RIE has a rich tradition in scientific realism where programme theories and hypotheses are [developed and] tested, a priori, often across a number of interventions to establish how things work, why, for whom and in what respects. Here a more critical realist approach has been taken, a posteriori, to uncover how and why MAP had an impact in a single case study. This has led to a number of testable hypotheses in the conclusion to the thesis.

Local responses to global pressures are also interesting in that they are likely to be context-specific, sometimes reactionary, and sometimes proactive. At the same time, many of the problems and issues in cities are generic, such as overcrowding, poor housing and health issues, under-employment and unemployment, urban decay and pollution. City-regions are responding to global [exogenous] pressures in the way that they compete for investment and talent in an increasingly globalised economy and in the way they utilise and capitalise on the assets and resources at their disposal to improve the structure and competitiveness of the regional economy.



City-regions also have differing geographies, resources, advantages, disadvantages, economies, social, cultural, human and institutional capacities and dynamics. Therefore, while some issues for cities are similar, the contexts, and therefore responses, can be different. Rural regional economies, for example, often differ from cities in their economic structure, their role in the national economy, their scale and scope, demography, development patterns, economic base, productive systems, human capital and natural resources. An endogenous economic development approach looks to build comparative and competitive advantages based on a greater understanding of a particular region's factors for growth and development.

The endogenous development of regions may take the form of strategic business and industry development, employment creation, fostering entrepreneurship and innovation, leveraging a region's natural resources, inherited or developed strengths, or utilising and building social, cultural and human capital as the basis for development. A territorial basis for endogenous development includes the formation of partnerships and institutions to address these factors within functional economic geographies. These dynamics differ in both theory and practice, in scale and scope, from either traditional macro or microeconomic theories, in that, human, institutional and geographical factors need to be combined with functional economic constructs and theories.

These territorial and economic debates serve as a backdrop for the study of Auckland and its journey to becoming a super city.<sup>1</sup> Structural and governance changes reflected a large primate<sup>2</sup> city in a small developed nation grappling with its development pathway

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<sup>1</sup> Common rhetoric associated with the development of one Council from the amalgamation of eight councils in 2010.

<sup>2</sup> The term "primate" city is used to describe the urban primacy of a city in a nation. Primate cities are most often found in urbanising developing nations or in smaller developed nations such as New Zealand. A large city is defined here as a city of between 1 and 10 million people. (See for example Moir, Moonen and Clark, 2014 and their use of UN classifications for advice to the UK Government).

and its contribution and role in national economy. New Zealand's capital city Wellington is approximately one quarter the size of Auckland in both population and economic size, with quite different institutional and employment patterns, trade and human capital dynamics, and dominates regional development policy and practice in Auckland. A flurry of activity to reconcile how to govern New Zealand's primate city in the best interests of the nation ensued during the Metropolitan Auckland Project. Notions of regional governance entered the discourse as did rhetoric around Auckland becoming a world-class internationally-competitive city-region.

The nomenclature of "city-region" was relatively unheard of in economic development circles in Auckland in 2000, let alone notions of agglomeration or regional innovation systems, despite central government policies focussed on endogenous regional development. A strong push came from the Knowledge Wave conference in Auckland in 2001 to focus on human capital development, innovation, creativity and entrepreneurship to address the 'knowledge divide'.<sup>3</sup> Concerted efforts came from the business lobby group Competitive Auckland during and after the conference and in the development of the Auckland Regional Development Strategy (AREDS) to promote a more cohesive regional approach to Auckland's economic development. However, progress was slow and frustrated by confused governance arrangements and competing interests.

In 2004, I was responsible for organising a forum on regional economic development that was designed to address issues that central government were having in implementing their regional policies in Auckland. The idea for the forum came after I discussed the problems we were having in Auckland with Greg Clark at an International

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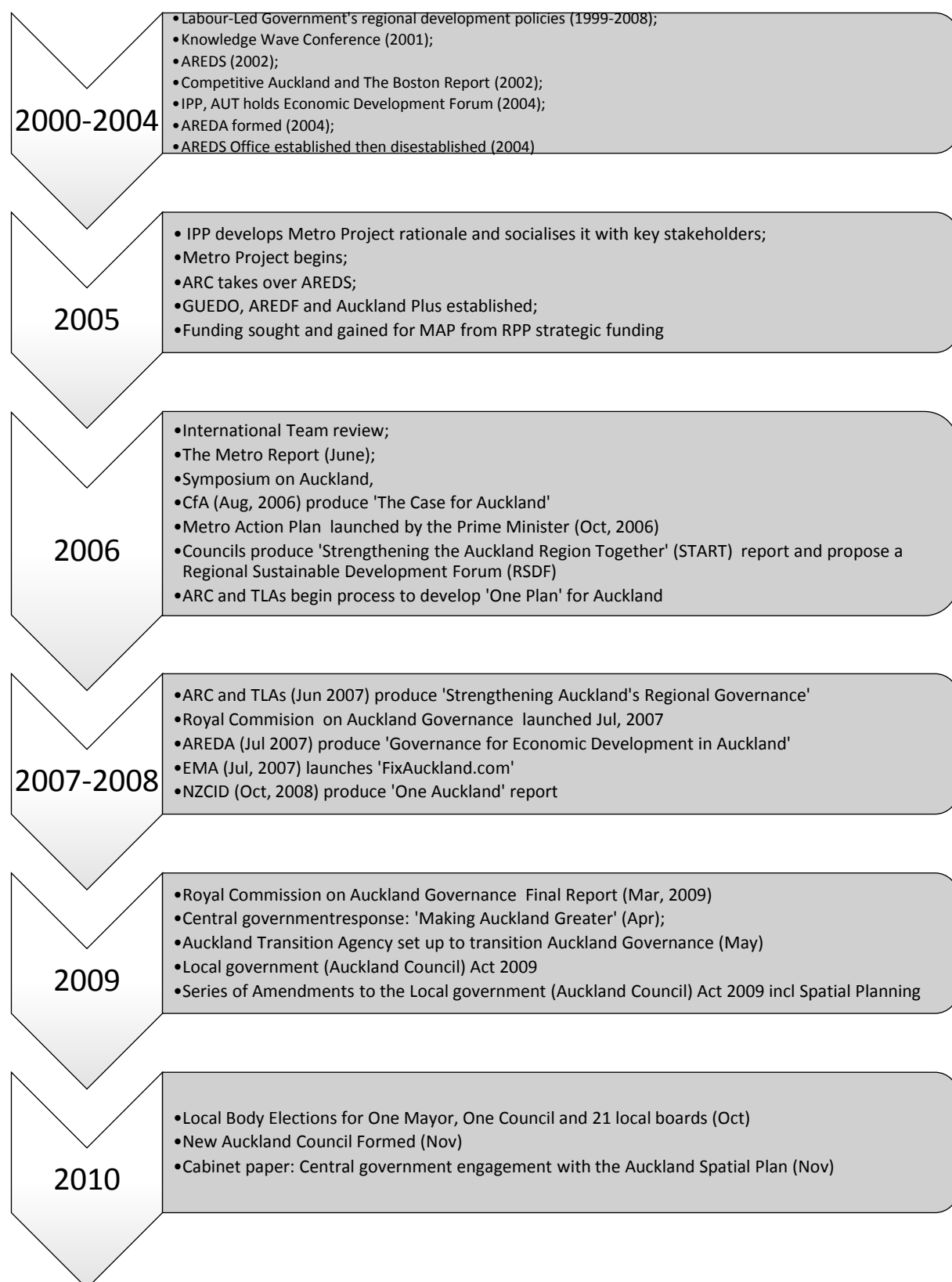
<sup>3</sup> see <http://www.beehive.govt.nz/release/knowledge-wave-conference-statement-co-chairs>

Economic Development Council (IEDC) conference in Montreal in 2003. We decided that the Forum should promote debate and raise the profile of economic development in city-regions, not just regions, and explore the role of cities in regional and national development. The Institute of Public Policy at AUT University (IPP) invited and funded two keynote speakers; Greg Clark and Professor Xavier Greffe, members of the Local Employment and Economic Development (LEED) Forum in the OECD, to talk about endogenous development and economic development in cities. The Forum was outside of the usual regional development conferences held in New Zealand at the time, and even though the regional policies developed by the incoming Labour led government in 1999 had an endogenous development approach in the development of strategic cross-sector regional partnerships and strategies, the Forum was not immediately supported by government departments and other sponsors. Auckland was perceived at the time as the “basket case” of regional development.

The following year (2005) Professor Ian Shirley and I, at IPP, developed the rationale for the Metropolitan Auckland Project (MAP) and discussed it with local government, economic development and business interests in Auckland. A triple helix partnership (government-business-academia) was formed for the project, which became the genesis and platform for the project.

The economic development policies, plans and activities during MAP (2005-2010) were an attempt at equipping the Auckland city-region to deal with concurrent pressures of urbanisation and economic globalisation. It was also a response to national policy settings focussed on regional development and perceptions of an under-performing Auckland economy.

For context, Figure 1 (below) provides a brief summary of the milestones and changes to Auckland's governance, planning and economic development from 2000-2010.



**Figure 1. Auckland's governance, planning and economic development milestones 2000-2010**

## ***Research Aims***

The primary aim of this thesis was to learn from, and gain a greater understanding of, the processes and outcomes of a project designed to improve economic development in a city-region. To do this required exploring new ways of evaluating high-level political projects with unclear scope boundaries, and changing contexts through various iterations. In these respects, there is a need for comprehensive evaluative frameworks where the long-run impacts and outcomes can be identified and evaluated.

A second aim was to place the Auckland case in an international context to gain a greater understanding of metropolitan governance for economic development in city-regions. To do this MAP has been compared to two streams of relevant and emerging fields of study in new regionalism and endogenous regional economic development.

## ***Research Questions***

Reflecting on my participation in MAP, at a number of levels and through various processes and iterations, I was aware that MAP had an impact on governance and economic development in Auckland. This raised questions about the level, positive and negative consequences, how and why MAP had an impact. It also raised questions about whether there were important factors that could be identified, and whether there was learning to inform international literature and RED policy and practice. Therefore, the following research questions were asked as the basis for the research:

- Is it possible to design an intervention to act as a catalyst for a step-change in the economic development of a city-region?

- What roles do governance, institutions, partnerships and leaders play in achieving a step-change in the economic development of a city-region?
- What factors influence a step-change and create long-run impacts in the economic development of a city-region?

By answering these questions, the primary aim of the research could be addressed, and a contribution to the emerging fields of study identified in the literature could be made. However the research was open to new learning and contributions were also made in a discussion and conclusions on governance, planning, policy and economic development in city-regions in Chapter Nine.

### ***Research Contribution***

The research will contribute to emerging fields of study in economic development, planning and governance in city-regions. It will also contribute to RED theory, policy and practice, new approaches to evaluating RED projects in particular, and complex high-level projects in general. A contribution to a greater understanding of the role of city-regions in national economies is also made and identification of factors that influence a step-change in the governance and RED of city regions.

An important qualification at the outset is that a Māori perspective, worldview or critique has not been explicitly undertaken in this research. The Treaty of Waitangi is New Zealand's founding [constitutional] document that sets out the partnership agreement between Māori (indigenous peoples of Aotearoa<sup>4</sup>) and the crown (originally the British monarchy) signed in 1840. The Treaty of Waitangi provided the basis for the

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<sup>4</sup> Māori name for New Zealand, loosely translated as 'the land of the long white cloud'.

establishment of the New Zealand government and partnership between Māori and Pakeha<sup>5</sup>. For an international audience, therefore, relevant topics could have included indigenous economic development and indigenous rights in government and governance. These topics were not the focus this research, but comments around [the lack of] protocol, partnership and engagement with Māori have been included in the text.

### ***Organisation of the Thesis***

This thesis has four main parts; a literature review, research design, a case study, and discussion and conclusions. Following this introductory chapter that outlines the focus and organisation of the thesis, Chapters 2 and three explore literature in two distinct but related streams; new regionalism and endogenous regional economic development. New regionalism, emanating from geographic disciplines, explores notions of globalisation governance, city-regions and economic development. Chapter Three, emanating from economic disciplines, explores and synthesises literature on economic development, regional economic development and endogenous development. These two chapters provide context for the research design, case study discussion and conclusions.

Chapter Four outlines the research design of the thesis where, using systems thinking and pragmatism as underlying philosophies, a case study and realistic impact evaluation have been employed to answer the research questions. The research was designed to address the complexity of interrelated phenomena and systemic effects by using an in-depth case study. An evaluation was also conducted where complexity and amorphous boundaries in the project were addressed using a Realistic Impact Evaluation (RIE). RIE

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<sup>5</sup> Māori word for European looking people (with fair skin and hair).

enabled warranted assertions to be made about the impact MAP had on governance, planning and economic development in Auckland. The chapter also outlines the limitations of the research design including a discussion on a boundary analysis that was eventually excluded from the analysis and the novelty and limitations of using RIE in this context.

Chapter Five is the beginning of the case study and impact evaluation where the policy and political contexts for the Metropolitan Auckland Project are described in detail. It also reveals the underlying assumptions and perceptions of stakeholders about Auckland that provided context for MAP.

In Chapter Six MAP is analysed at a high-level revealing the original rationale, aims and objectives, the key emergent and iterative components over the length of the project, an in depth analysis of an international review conducted as a key part of the project, and stakeholder intentions and expectations for the project.

Chapter Seven primarily addresses research question two by revealing key institutions, mechanisms, people and processes that influenced or mediated the outcomes of the project. Particular attention is paid to the triple helix partnership formed to drive the project in the early stages and the structures.

In Chapters Eight and Nine primarily address research question three, which builds on questions one and two. Chapter Eight evaluates the impact and outcomes of the project on governance, planning and economic development, in particular governance for Auckland and RED governance policy and practice. It also describes outcomes that were not achieved and the criticisms and unintended consequences of MAP.



Chapter Nine provides a discussion of the case study in relation to the research methodologies and literature review.

Chapter Ten provides conclusions from the research on governance, policy, planning and economic development in city-regions. It then answers the three research questions and suggests seven key factors for similar regions, facing similar challenges, to consider when endeavouring to align governance and economic development efforts. This is followed by a summary and suggestions for further research.

### ***Summary***

This chapter outlined the aims of the thesis, posed research questions drawn from literature and experience in the Metropolitan Auckland Project, and the contribution it is expected to make to literature and research into governance, planning and economic development in city-regions. Finally, it provided an outline of the thesis and how it addressed the research questions. The next two chapters constitute a literature review that provide a context and underlying themes for the research.

# LITERATURE REVIEW

## **Chapter 2. New Regionalism: A Synthesis of Governance, Institutions and Functional Economies**

### *Overview and Introduction*

Between 1999 and 2008, under three successive Labour-led governments, New Zealand embarked on a path of regional development policies and programmes that were a marked departure from the previous (1984-1998) period of dominant neo-liberal macroeconomic policies. This departure was propelled by a perceived lack of progress in economic terms under the new right paradigm with mounting evidence of low growth, low productivity, high unemployment and increasing [income] inequality during that period. New regionalist policies were developed to support regions in their strategic endogenous development pathways. However, policies were inadequate in addressing the particular circumstances of New Zealand's primate city-region; Auckland. Policy misalignment and failure at early attempts in the implementation of an Auckland Regional Economic Development Strategy (AREDS) created the context for MAP.

MAP was representative of the confluence of some theoretical and conceptual influences. Broadly speaking these are a third-way political economy (Conway, 1999; Dalziel, 1999, 2003; Eichbaum, 1999) and a new regionalist approach to regional development policy (Schöllman and Dalziel, 2003; Dalziel and Saunders, 2005; Schöllman and Nishalke, 2005; Le Heron 2006). New regionalism includes a distinctly territorial approach to defining economic relations (new economic geography) and neoclassical economic theories of growth such as new growth theory (NGT) or endogenous growth theory (McCann and van Oort, 2009; Taylor and Plummer 2011).

New Regionalism also promotes new forms of governance and institutional reform (Allen, Massey and Cochrane, 1998; Amin, 1999; Lovering, 1999; MacLeod, 2001; Le Heron 2006, 2009; Memon, Davies and Fookes, 2007; OECD, 2001b, 2005, 2006, 2009a, 2010a, 2010b).

Endogenous growth theory looks to capitalise on the endogenous processes that underpin innovation. From a new regionalist perspective, this can best be achieved in regions where it is reasonable to expect there are the assets to provide, institutions to facilitate, and proximity to achieve, innovation. Following on from these kinds of assumptions cities become important nodes of research, knowledge, learning and innovation, labour productivity and agglomeration. (Capello and Nijkamp, 2009; Stimson, Stough and Nijkamp, 2011).

The context for these economic development approaches are the wider concerns of globalisation and global economic integration, urbanisation, climate change and sustainability where cities and regions are focal points. (Clark, 2003; McKinsey Global Institute, 2011; OECD, 2006; Quigley, 2009; Venables, 2009; Moir, Moonen and Clark, 2014). These concerns provide a context for the reassessment of the governance of cities. Local government can be seen as anachronistic (based on out-dated political, geographic or economic boundaries) and incapable of dealing with pressures of growth and urbanisation alongside pressures to be competitive in a global market for talent, skills and investment. Therefore, understanding the dynamics of development, how well the city functions, where the opportunities for gaining competitive advantages lie, its attractiveness to talent and in inspiring creativity and innovation are deemed important. The associated pressure points of infrastructure, housing and employment provide focal points for city- and nation-states in economic development policy and planning (ibid).

Therefore new regionalism and endogenous regional economic development literature provide the backdrop and conceptual lenses for an investigation of MAP.

### ***Globalisation and the Importance of Things Local in Economic Development.*<sup>6</sup>**

The real Challenges associated with globalisation do not, in fact, lie in globalisation per se, but in other issues – particularly in effective local arrangements – which are sensibly discussed in conjunction with globalisation. (Sen, A. 2003, p5).

Economic development cannot be successful without consideration of the context within which it is operating. Globalisation is the term most used to describe the broadest economic context and describes a process where people are increasingly connected through trade, employment, flows of information and communication, cultural and sporting exchange and migration. In his book ‘Globalisation and the Wealth of Nations’ Brian Easton (2007) described how the world has altered so that the distance, by sea, air, or in communications and information transfer between people and places, with regard to moving products, services and information, has gotten smaller. He identified five propositions about globalisation. One and five are particularly relevant to this research:

‘Globalisation is the economic integration of regional and national economies. It is caused by the falling cost of distance. It has exceptionally powerful effects when the reduced costs of distance combine with economies of scale.’

‘It is not solely an economic phenomenon in a historical and geographical context. It has political and social consequences. In particular, it impacts on, but does not eliminate, cultural differences, and it reduces but does not eliminate, the policy discretion of nation-states.’ (p.2).

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<sup>6</sup> This section has been adapted from Wilson et al (2006) ‘Governance for Economic Development in Auckland’.

Ohmae (1995) believed we are witnessing the diminution of the nation-state's power. Brenner (2004) believed that, even though there has been widespread economic integration, we continue to see national state institutions playing key roles in 'formulating, implementing, coordinating, and supervising urban policy initiatives, even as the primacy of the national scale of political-economic life is decentered' (p.3). Brenner claimed we are witnessing a 'wide-ranging recalibration of scalar hierarchies and interscalar relations throughout the state apparatus as a whole, at once on supranational, national, *regional, and urban scales*' (pp. 3,4 *emphasis added*).

Globalisation processes bring the world into our lives on an everyday basis. When globalisation was first written about, there were fears that the world would become increasingly homogenised and that social, cultural and economic differences would become increasingly blurred. At the heart of this were fears of the threat it presented to local communities. As Bressi (2003) noted local communities have reacted in different ways to this. Some local communities – especially in developing countries - have come to be at the mercy of global pressures and powers, reminiscent of colonial rule. Large multinational corporations and international powers, therefore, dominate economic and social life. Other communities have reacted defensively, attempting to resist and ignore global pressures with stronger localism. Bressi described this as defensive, self-centred localism. Thirdly, local communities have responded with what Bressi terms the 'glocal' approach, which is 'characterised by meeting, negotiation and dialogue between global actors and local actors' suggesting that a process of 'glocalisation' is becoming an equal and concurrent process to globalisation (Bressi, 2003, p.6). Local communities, therefore, deal with globalisation by rediscovering local connectedness and culture and seek to increase their negotiating strength by pursuing reciprocal advantage and common interests between localities and global flows. Neither top-down nor bottom-up

but mediating between two processes. Through increasingly dense and complex relationships and agreements among different local subjects (of various types and at various levels; public and private, national and sub-national), a process has begun that we could define as horizontal globalisation. (Bressi, 2003, p.5).

Swyngedouw and Brenner (2004), however, suggested it is not simply a process of negotiation between the local and the global, but more a process of glocalisation where economic activities simultaneously become more localised and global. Thus, a 'rescaling' of the [political and] institutional arrangements is necessary.

This notion of horizontal globalisation describes the effect of creating networks of association across localities to build social capital and institutional thickness. Social capital, in Robert Putman's words, refers to 'connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them' (Putman, 1994, cited in Mowbray, 2005, p.50). It often takes forms that are difficult to measure, but nevertheless, can result in very tangible forms of development. As Cavaye (2005) noted social capital can be observed to be working at three different levels; the individual, the group and wider community or the institutional level, which combined can contribute to networks at the national level (Cavaye, 2005, p. 39).

The concept of institutional thickness builds on this, emphasising the need for institutional structures that facilitate the building of social capital. As Amin and Thrift (1994) identified, a strong institutional presence, high levels of interaction between organisations, a mutual awareness of common involvement and structures that minimise 'sectionalism' are key ingredients towards stronger local responses to globalisation. (Amin and Thrift, 1994, cited in Coulson and Ferrario, 2007, p.593). Therefore having

high social capital and institutional thickness are signs of a healthy and engaged society. Conversely, the lack of social capital and institutional thickness may be signs of a disengaged and disinterested populace; the outward manifestation of which is a lack of democratic engagement. In economic development terms, high social capital indicates high levels of trust which enables the sharing of information most vitally needed to promote innovation, and institutional thickness is the outward manifestation of moving to formalise knowledge-producing and knowledge-sharing arrangements, which underpin innovation and economic growth.

Increased information and communications technologies (ICT) have allowed businesses, corporations and localities to take advantage of real-time transactions and the exchange of large amounts of information at greater speeds than ever before in our history. The coincident rise in service industries and knowledge exchange has led to many more theories about the rise of the knowledge economy where knowledge is the product, and this has more value and is less damaging to the environment than traditional heavy industries. In these respects cities, where there are concentrations of knowledge-producers (universities and research organisations) and where there are economies of scale and agglomeration effects, are seen as catalysts for growth and innovation. (OECD, 2006; Quigley 2009; McKinsey Global Institute, 2011).

Charles Leadbetter (2000) described economies based on ‘thin air’ where the greatest potential for growth lay in the sale of ideas, skills and [tacit] knowledge rather than in traditional economies based on the physical production of things. Florida (1995) promoted the idea that regions were becoming more prominent in economic development as:

The shift to knowledge-intensive capitalism goes beyond the particular business and management strategies of individual firms... involving the development of new inputs and a broader infrastructure at the regional level... The nature of this economic transformation makes regions key economic units in the global economy. In essence, globalism and regionalism are part of the same process of economic transformation.’ (Florida, 1995, cited in MacLeod, 2001, p.804).

These streams of thought were at the heart of the Labour-led government’s Economic Transformation Agenda (ETA). The ETA stated that New Zealand needed to ‘move up the value chain’, create more ‘knowledge intensive’ ‘high value’ businesses and occupations, ‘add value’ to our base (primary productive) industries, and be more ‘productive’ and ‘innovative’ to foot it in an increasingly competitive and globalising world [*economy*] (Ministry of Economic Development, 2008, *contextual word added*). Regional development was an important part of this policy focus. Unfortunately while terms like knowledge economy, knowledge intensive, high-value, productive, creative and innovative sound constructive on an intuitive level, the transformation into tangible actions has proved to be more challenging.

The response in much of the regional development literature has been to address global pressures at a city-regional level. Cities, then, are important nodes of scale and scope to deal with some of the pressures and opportunities that these forces present. In promoting regional economic development the larger drivers of change such as globalisation, technology development, free trade, public sector reform and increased mobility mean that functional economic regions offer a scale and critical mass, combined with a sufficiently coherent geography, to address this interaction. (Clark, G. 2006, 2006d).

These kinds of arguments have led to city-regions examining their ability to manage their response to global pressures. The alternative, as much of the rhetoric goes, results



in a failure to move up the value chain and to attract and retain talent and investment. It, therefore, becomes vital to manage key internal and external business relationships to ensure key strategic messages are sent to the private sector about what a region has to offer, and to build confidence that “the region” is thinking about its role in the national economy and competitive advantages in an international context. Clear and consistent policy settings, followed up with strategies, programmes and projects that fit with those policies, are therefore desirable to build the necessary environment for private investment that will complement and support public sector goals.

The management of economic development in city-regions, then, forms an important part of the national economic development effort. Territories must manage important relationships vertically with higher tiers of government and horizontally with regional stakeholders to promote innovation, creativity and economic growth, recognising that central and local governments are not the only actors involved in positively shaping the regional economy. (Clark 2003, 2006; Dalziel and Saunders, 2005; Schöllman and Dalziel, 2003; OECD, 1999, 2001b, 2005; Vázquez-Barquero, 2002). RED, therefore, is not just about managing external (exogenous) forces like globalisation but equally, if not more, important is the need to build institutional capacity to take advantage of the inherent strengths and capacities within a local economy. This provides paths towards differentiation, specialisation and competitive advantage. Endogenous economic development literature rests on this assumption by emphasising the economic externalities from increasing returns to scale associated with spatial clustering and specialisation, and in releasing endogenous potential within localities. (Porter, 1994; Krugman, 1995).

Flexibility in approach is also deemed necessary. The fact that a history of exogenous models of development has largely failed in developing countries (see Sen, 1999; OECD, 1999) supports an endogenous approach. Globalisation has brought with it concurrent shifts towards maintaining and rediscovering local connectedness and authenticity and larger global drivers of change. Local food production, such as farmers markets, and notions of ‘slow foods’ and ‘food miles’ are good examples of how alternative, flexible approaches can provide endogenous development opportunities (Dalziel and Saunders, 2014). Swyngedouw (2004) observed that local development has consequently become a very different task in the context of globalisation; often more complex, more challenging, and in some ways more dangerous or risky. Hence investing in local institutions and development capacities to take advantage of the global economy becomes important.

In summary, what this means, for the organisation of economic development efforts within a metropolitan region such as Auckland, is that there are multiple levels that must be addressed, and strong connections that have to be made between levels, and across sectors. Economic development specialisations and opportunities often bubble up from below – from local contexts (physical, economic, social, and cultural), local economies and specialisations – from those things some regions do better than others and things regions do comparatively better than most. Thus, taking advantage of those opportunities may involve a plurality of actors.

Regarding RED local capacity and know-how are key ingredients combined with an understanding of wider regional, national and international dynamics and markets. Porter’s somewhat paradoxical claim that ‘the enduring competitive advantages in a global economy lie increasingly in local things – knowledge, relationships, and

motivation that distant rivals cannot match' (Porter, 1998, pp 77-90), sums up this argument.

### ***The City-Region as a Functional Region***

What then does it take to make a city-region function better? This question has been at the heart of new regionalism literature. The complexity of untangling social and economic determinants of inequality, poverty, unemployment and underemployment, educational underachievement, and increased recognition that a lack of social cohesion will undermine efforts to achieving a healthy economy provide compelling reasons for a new regionalist approach.

Allan Wallis (2002) described six contrasting characteristics that distinguish new regionalism from old regionalism. These were changes in emphasis from government to governance; structure to process; closed to open boundaries; coordination to collaboration; accountability to trust; power to empowerment. These essentially contribute to a change in focus 'from a system of hierarchy which seeks to dominate production and distribution to network-based systems that accommodate different tasks and exhibit flexibility'.

Lovering (1999) however said that:

...the dogma that regions are resurgent as a result of global transformations implied by the growth of "informational economies" has almost reached the point of an orthodoxy. But like the fashion for post-Fordism that preceded it, this represents the triumph of fashion and the influence of academic authority figures over social science. Treating these claims as accounts of the key causal influences on real regional development, in general, has led the New Regionalists to overlook far more important influences on the economic dynamics of many, and probably most, real-world regions. (Lovering, 1999, p.386).

Lovering doubted that utilising the region as a unit of observation and policy focus was warranted. He was particularly concerned with random or confounding variables in establishing whether actions through government agencies at the regional level could be observed to play any causal role in substantive economic gain. This observation is in itself subjective, confusing means and ends and defining evidence in economic terms that supposes that one intervention is expected to produce systemic change.<sup>7</sup> Knowledge construction is legitimate when phenomena are new and untested, and it does not mean that there is no effect. In other words, that there is a multitude of co-related, co-causal and confounding effects in complex phenomena should not prevent efforts in unravelling that complexity.

The balance of Lovering's argument rests on whether the region is an economic unit and whether it is an appropriate site for economic interventions. This is a semantic argument in the face of a tide of RED theories, policies and practices that require observation and analysis. Urbanisation in both developing and developed countries, with resultant disparities between newcomers and established residents, and the strains on the infrastructure to absorb new populations, have been a driving force for a focus on the management of city-regions (Brenner, 2004; Clark 2006d; Capello and Fratesi, 2013; Moir Moonen and Clark, 2014). Not only is there pressure on metropolitan areas to manage the dynamics of urbanisation, but there are also pressures to deal with rapid flows in technology, information, labour and investment that form part of the globalisation phenomenon. It is also clear that there is an association between urbanisation and productivity enhanced by localisation and specialisation found in cities and the concentration of labour and capital to support these processes (Quigley, 2009,

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<sup>7</sup> See for example Crescenzi, R. & Percoco, M. (eds.) (2013). *Geography, Institutions and Regional Economic Performance*. Heidelberg, Springer.

p.125-128). Addressing the downsides of urbanisation and taking advantage of the upsides once again requires governance attention at the metropolitan level (Ohmae, 1995; OECD, 2006; Easton, 2007; Blair and Carroll, 2009, McKinsey Global Institute 2011; Moir and Clark 2014).

These pressures are causing nation-states to rethink the management of their cities. Not only is there a re-conceptualisation of regional economies and their importance, but there is also a related recognition that for that to happen there needs to be change in the institutional arrangements (Clark, Huxley and Mountford, 2010). Within this there needs to be an up-skilling and up-scaling of local governments' capability and capacity; a re-drawing of political boundaries to fall more into line with the functional economic region; a shift to more cross-sectoral arrangements in the governance of complex issues and a recognition that political boundaries do not necessarily align with regional economies. All of these dynamics demand more flexible arrangements in city-regional governance. Brenner (2004) debated this 'reshuffling of the hierarchy of spaces' in response to the global economic integration stating that:

...it has not established a 'stable interscalar architecture for the regulation of global capitalism, either above or below the national state. On the contrary, these worldwide rescaling processes have triggered an intensely contested 'search for a new institutional fix' (Peck and Tickell, 1994) characterised by the proliferation of political strategies intended to manage the disruptive supranational, national, regional, and local consequences of geoeconomic restructuring.' (p. 174).

Once the political need for a regional approach has been established, however, for whatever reason, then some re-engineering is likely to follow. Among the political reasons cited is the need for improved efficiency, economic gains and regional competitiveness. Jessop (2002) and Brenner (2004) refer to this phenomenon as the 'competition state' where the state seeks to establish or maintain competitive

advantages within its borders and sees the region as an economic unit of competitiveness. Thus, a restructuring of political power and processes and a negotiation between the nation-state and the regional polity is required. There is also, however, built around notions of better institutions to provide better democratic and economic structures, the notion of improving governance. Improving governance according to new institutionalist and new regionalist precepts means that Government will attempt to utilise wider pools of knowledge and expertise to inform decisions. In this way government can gain support for greater devolution of powers to enable decision-taking<sup>8</sup> with a wider democratic support base. It also expected to diminish the bounded rationality<sup>9</sup> that besets public institutions, especially those stuck in old forms of hierarchical and vertical power and control relationships (Ohmae, 1995; Kim, 2009; McKinsey Global Institute, 2011; OECD, 2006 and 2010a).

Different functions within a region often do not align in their functionality, complicating the task. For example, water catchment areas and the supply of clean drinking water, and, therefore, the organisational arrangements around how water is supplied to a metropolitan area, is likely to be different in both function and form from institutional arrangements for RED, transport or housing. New institutional ‘fit-for-purpose’ governance arrangements, therefore, need to be considered. For example, in Canada Translink addresses regional transport issues across local political jurisdictions in the Vancouver region. The Greater Toronto Marketing Alliance attempts to promote the Metropolitan region of Toronto as a destination for visitors and investment. In London, the London Development Agency sought to promote economic development in

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<sup>8</sup> the notion that the decision can be implemented once made

<sup>9</sup> Bounded rationality is the notion that your day to day context, relationships and interactions shape and limit your thoughts.

London within a prescribed set of mandated powers handed to it by the Greater London Authority.

These types of institutions pose challenges to central government agencies and traditional governmental arrangements and their various geographical determinations which fall between, override, or do not coincide with re-conceptualised economic spaces. As a result, for example, The London Development Agency was disbanded in 2012, despite efforts at regional integration. Regional Development Agencies (RDAs) are nonetheless vitally important to economic development as, for example, the governance of important infrastructure and regional resources and relationships between the public and private sectors frame what is possible.

Achieving a well-functioning city-region, then, is about optimising efficiency but at the same time trying to prioritise strategically [economic] development initiatives that can create a reinforcing spiral of confidence and investment from both the public and private sectors. Governance arrangements, therefore, need to be fit-for-purpose allowing for new and more flexible institutions as the tasks demand and differing spheres of influence that may cut across traditional political boundaries. Where city and regional boundaries are smaller or misaligned with their economic geography problems can occur:

It creates fragmentation, which in turn can lead to economic and fiscal competition between local governments, suburbanisation and decentralisation, the exclusion of specific communities and groups from wider labour markets, unsustainable traffic patterns and land use. (OECD, 2005, p. 150).

New kinds of institutional arrangements demand new behaviours and new kinds of relationships. Partnerships and alliances become important as do cooperation and collaboration. The notion of horizontal integration that reaches across sections of

society, institutions and governance arrangements to promote better knowledge and understanding about specific issues also becomes important in addressing contextual and territorial problems. As a result, many nations are ‘exploring the city-region concept, which emphasises the principle of partnership and joint work among a range of public and private partners across a wider economic territory.’ (OECD, 2005, p. 150).

As Clark stated:

The new generation of territorial policies emphasise the importance of functional economic regions as the natural geographies where housing markets, labour markets, and the catchment areas of key regional assets combine. At this spatial scale local markets work together to form an economic unit, market functioning is most easily observable, along with market failures, agglomeration economies might occur, local assets might be developed and used most effectively, and sub-national efforts that combine national and local initiative might be best orchestrated. (Clark, 2006b, p.5).

Flexibility is important in these arrangements to allow for differing institutional mandates and contexts, but with the goal of increased strategic decision-making capacity at a functional city-region level. According to the OECD, this creates a better environment for sustainable economic, social and environmental urban development. (OECD, 2005, p. 150).

### ***The Interdependence between City-Region Spaces and Economies***

It is no accident that many of the large cities of the world developed along waterways, where ocean vessels facilitated lower-cost shipment of products to far-flung markets, or along trade routes, at entrepôts where the trans-shipment of products had already been established. (Rappaport and Sachs 2003, in Quigley, 2009, p.116).

Greg Clark (2006b) argued for better integration and collaboration, and the need to recognise and take advantage of different scales and interdependencies between local economies in Auckland. A key question then, in pursuing economic development, is where to organise efforts. Increasingly it is recognised that the organising effort is at the



city-region level to ‘overcome narrow administrative and local government boundaries’ and allow for the ‘integration of (for example) housing markets, labour markets, economic development, transportation systems and environmental strategies.’ (OECD, 2005, pp.150, 151). It is not only strategic, but it is also at a scale that is competitive in a global context. Capello and Fratesi (2013, p.16) added that even though globalisation processes are not new, they are accelerating. Thus, one of the most important determinants of regional growth in a globalised world is foreign investment but coupled with the ability of the region to embed investment in strategic sectors of the regional economy. Furthermore, with the diminishing ability of the nation-state to mediate global economic integration, and with intra-national regional divergence and differing regional resources and competitive advantages, regions are more reliant on absolute advantages<sup>10</sup> and more vulnerable to external shocks than nations. They are, therefore, ‘very open economies’. (ibid p.18).

Thus, the coordination of effort and collaboration among agencies and institutions is crucial. As Clark notes:

... initiatives at a mesolevel between local and national are necessary to help bring otherwise disparate efforts closer together and make the best use of resources and assets... coordination and collaboration are required vertically between different spheres of government, horizontally between neighbouring municipalities, and between urban and rural initiatives, and organisationally between public, private, and NGO sectors. (Clark, 2006b, p2).

As city-regions begin to grapple with these complexities, central governments cannot afford to constantly recalibrate governance structures, and structures are never going to be optimal in a functional sense for everything. Therefore, collaboration and flexibility, and a change of behaviour towards interdependency and away from parochialism and

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<sup>10</sup> Regions do not have the classic Riccardian tools at their discretion including national wage rates, input prices, international terms of trade, interest and exchange rates.

hierarchy is required (Clark 2005; OECD, 2005; Crescenzi and Percoco, 2013). Simply changing the structure of local governments may only serve to shift boundaries rather than improve behaviour or efficiency. Incentives to collaborate and to provide more flexible and fit-for-purpose governance arrangements may play a more effective part, and the scenario where an organisation is adept in horizontal and vertical integration is important. As Clark goes on to say, collaboration needs to be flexible and provide reflexivity:

The goal is to organise the efforts of governments, at all scales, around securing outcomes for places (poverty reduction, job creation, goods and services, and external investment) not simply around making narrow and institutionalised inputs. It is a key aspect of these approaches that outcomes matter more than inputs and that flexibility is critical to achieving outcomes through collaboration. (Clark 2006b).

Economic development policy in a city-region, therefore, becomes an art in collaboration, flexibility, building local governance capability (horizontal integration) and reflexivity (vertical integration) into the system and in providing resources and institutions that allow for, and promote, the implementation of policy.

### ***Governance and the Dynamics of Economic Spaces***

One of the key effects of globalisation, especially with the growth in focus on the knowledge-economy and services, has been to shake up traditional concepts of economic space. Political boundaries are often out of kilter with economic activity. Geographical scale has become ‘a deeply heterogeneous and contested process’ (Swyngedouw, 2000, cited in MacLeod, 2001, p.814). The ‘local’ in this respect is as difficult to define as the ‘global’. As MacLeod (2001) notes, scholars have made many attempts to map this ‘re-territorialisation’ of economic activity but defining economic space, especially in relation to political boundaries, remains problematic.

Le Heron and Wetzstein (2010) in describing the political processes and influences the development of Auckland regional policy called it an iterative process in which conversations, overseas experts, imaginaries and institutions drove 'political projects' through many twists and turns in a self-reinforcing manner. Those that were useful to reinforce the prevailing political project of the 'moment' were included and objectors were side-lined. Useful ideas were colonised causing the project to deviate and take a turn, often resulting in a process they described as policy 'in-the-making'. These problems are inherent in the political process and exacerbated at the regional level where many influences are prevalent, from above, to the side and below, in determining policy (Beer, 2009; Miller, 2009). This section considers the tensions that arise between economic space and political territory, and how those tensions might be addressed for effective territorial governance and economic development.

Sub-national economies, and the demands on them - whatever their size and scale - do not always fit neatly with political or administrative boundaries. As local economies and economic actors are exposed to global competition, the re-territorialisation of political and economic activity is a natural response. Nations and regions, then, are left to grapple with ensuring that their territories [regions] are proactive in a globalised economy. In making competitive choices, optimising infrastructure investment, reducing transaction costs, adjusting labour and housing markets, for example, there is a necessity to align, or, at least, address, the governance of a functional economic geography. How the region functions in a systemic way, therefore, will determine its ability to capitalise on opportunities from both within the region and externally.

Within such a broadly territorial definition, economic functions operate at different levels: sub-regionally, intra-regionally and inter-regionally. For example, labour markets within the Auckland city-region operate at all of these levels, with labour moving from the periphery to the CBD, across and between cities<sup>11</sup> within the Auckland region, and between and across surrounding districts. Supply chains similarly crossed administrative boundaries with little or no regard for political determination. Governance of economic development, therefore, becomes an art in collaboration and coordination at the metropolitan level. This presents challenges for local economic development because it increases the scope for unintended negative consequences such as duplication and unnecessary local competition. These factors alone have caused local economic development issues to be strong drivers of, or imperatives for municipal reform processes. Taking economic geography into account in municipal reform enables more effective relationships to develop between political and economic actors:

Metropolitan reform processes have also, therefore, enabled a series of local administrative units to share the costs of the key local economic development infrastructures from which they all benefit. A good example of this is the growing range of Metropolitan Economic Development Organisations where several municipalities will ‘club together’ with business leadership organisations, utility companies, universities, and others to form a metro-wide economic development agency and programme, recognising the fundamental economic interdependence of all parts of the region. (Clark, 2006a, p7).

Economic interdependence and mutually reinforcing activities are, therefore, the key to economic development efforts in a city-region and new types of institutions and partnerships are desirable to address and take advantage of those interdependencies. Thus, a more inclusive and fit-for-purpose approach to deciding what is best, strategically, for regions, bringing relevant partners to the table when deciding on important strategic issues, and utilising expertise from a wider range of options and

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<sup>11</sup> Prior to amalgamation in 2010 Auckland was divided into four city authorities, three districts and one regional council.

partners is desirable. As Clark reasons, this does not mean disregarding past and existing structures, but acknowledging the changing context and acting accordingly:

Old enmities between cities and suburbs, or between two neighbouring cities, or between urban and rural areas, have not disappeared, but the evidence is starting to show that they are much more economically inter-dependent (mutually reinforcing) than was previously understood. They cannot 'go it alone' but must work across their whole sub-national region to create the tools to 'steward' their business environment, promote new forms of employment, deal with image problems, and tackle the limitations of infrastructure (Ibid).

The World Bank (2004) argued that the focus and tools for economic development, and the governance arrangements to support that focus, had changed. According to the World Bank, there had been three waves of approaches to local economic development that have coincided with, or resulted from, different economic pressures and competitive realities over the past half century (see Table 1 below). There is now far more recognition that territories, and administrations within those territories, can steer investment towards strategic objectives for their territory. Administrations can also, therefore, work with partners to achieve common goals, mitigate market failure, and facilitate and encourage collaboration to build critical mass.

**Table 1 Three waves of local economic development**

Wave	Focus	Tools
First:  1960's to early 1980's	<ul style="list-style-type: none"> <li>• Mobile manufacturing investment, especially</li> <li>• the attraction of foreign direct investment.</li> <li>• Hard infrastructure investment.</li> </ul>	<ul style="list-style-type: none"> <li>• Large Grants</li> <li>• Subsidised loans usually aimed at inward investing manufacturers.</li> <li>• Tax breaks.</li> <li>• Subsidised hard infrastructure investment.</li> <li>• Expensive "low road" industrial recruitment techniques.</li> </ul>
Second:  1980's to mid-1990's	<ul style="list-style-type: none"> <li>• The retention and growing of existing local businesses.</li> <li>• Still with an emphasis on inward investment attraction, but usually, this was becoming more</li> <li>• targeted to specific sectors or from</li> <li>• certain geographic areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct payments to individual businesses.</li> <li>• Business incubators/workspace.</li> <li>• Advice and training for small and medium-sized firms.</li> <li>• Technical support.</li> <li>• Business start-up support.</li> <li>• Some hard and soft infrastructure investment</li> </ul>
Third:  Late 1990's onwards	<ul style="list-style-type: none"> <li>• Soft infrastructure investments.</li> <li>• Public/private partnerships.</li> <li>• Networking and leveraging of private sector investments for the public good.</li> <li>• Highly targeted inward investment attraction to add to the competitive advantages of local areas</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a holistic strategy aimed at growing local firms.</li> <li>• Providing a competitive local investment climate.</li> <li>• Supporting and encouraging networking and collaboration.</li> <li>• Encouraging business clusters.</li> <li>• Encouraging workforce development and education.</li> <li>• Closely targeting inward investment to support cluster growth.</li> <li>• Supporting quality of life improvements.</li> </ul>

Source: World Bank (2004) Local Economic Development: A Primer - Developing and Implementing Local Economic Development Strategies and Action Plans. A knowledge Product of Cities of Change, October, Washington, DC, cited in 'Local Governance and the Drivers of Growth' OECD (2005).

The practice of economic development in city-regions is not necessarily ideal-typical of the third wave. There has been, however, a definite shift to regionally-based economic development approaches. These approaches do not deny the need for sound

macroeconomic policy; it is more that they work within a macroeconomic context but take action where there is a greater chance of engineering or re-engineering the regional economy.

### ***City-Regions and Governance for Economic Development***

One of the key reasons cited for improving metropolitan governance is the need to remain competitive. Regional competitiveness is a contentious notion that has scholars divided. Krugman, for example, sees that cities and regions often grow because of ‘historical accidents’ or a group of unrelated factors coming together that releases new opportunities or ideas. He uses Silicon Valley as a case in point, arguing that it, ‘...like most such agglomerations ...owes its existence to small historical accidents that, occurring at the right time, set in motion a cumulative process of self-reinforcing growth’ (Krugman, 1997, p.239). Porter, on the other hand, sees more determination and design in taking advantage of such agglomerations or clusters. They appear to agree, however, that the role of government should be providing the core essentials of quality urban living. To paraphrase; the best thing a government can do in that scenario is provide a fair and equitable regulatory environment, then get out of the way.

Endogenous growth theory, which has its roots in neoclassical theory, acknowledges that positive externalities can happen from increasing returns associated with spatial clustering and specialisation. The essential thesis is that clusters and agglomeration effects bring about the need for skilled labour and promote technological innovations, thereby offering key elements in growth and competitiveness. Krugman (1997) argued that it is the economic geography and firm relationships that are the fundamental drivers of growth rather than political arrangements. New regionalists, however, see the region as a space where some of the advantages of scale and scope can play out, that the public

sector is part of the economy helping to shape what is possible and that combined efforts can lead to strategic investments that benefit the region. Contemporary economic development thought and action, then, lay in the notion that people, communities and, therefore, regions can have some determination in shaping their economy. The market is a human construction and, therefore, it is possible to influence it. Markets can be influenced by dealing, negotiating and taking advantage of global forces at the regional level, by releasing endogenous potential, and by taking advantage of regional specialisations that provide pathways to growth and affect global value chains.

The competitiveness agenda and the re-definition of regions as competitive units with resources and assets at their disposal operating in a global context have highlighted mesolevel [regional/urban/metropolitan/city–regional] governance as a key mechanism. The various *raison d'être* are a desire to pitch for talent and investment in a global market, to exploit regional competitive and collaborative advantages, to engineer or re-engineer the structure of the regional economy, to produce higher value jobs and outputs and to reduce transaction costs. So while efficiency and effectiveness arguments continue to dominate discourse for determining local government arrangements, there is a correlated argument that the public sector alone cannot address market failures and inefficiencies in a city-regional economy. Therefore, the wider concept of governance needs to be considered.

Collaboration between the public and private sectors in economic development can be problematic. They have differing mandates, objectives and agendas with very different governance and operational processes. The private sector follows market-led processes that demand quick decisions and decisive action, while the public sector must at times slow processes down to get fair and equitable outcomes in meeting democratic,



legislative and regulatory imperatives. Economic Development Agencies (EDAs), as a comparatively new type of institutional arrangement, operate between the public and private sectors and play a particular role in bringing the two together to address market failures or build capacity and capability in the regional economy. They can also play a role in forming cross-sector partnerships and new institutional arrangements for economic development purposes. (Otgaar et al., 2008; Clark, et al., 2010).

As regional economies and industry sectors do not fit neatly with political boundaries, and as even with the best intentions political re-arrangements will not address all of the possible market dynamics, EDAs, local, regional and central government and business organisations have to work together to be able to shape the future of those economies. EDAs can play vital roles in identifying economic geographies, providing a scenario for the development of the region, identifying projects, facilitating support, promoting investment opportunities to both the public and private sectors, and in brokering partnerships to achieve strategic goals. Governments encumbered with other legal, regulatory, political and democratic mandates, can be compromised when trying to play the role of an EDA (ibid).

Easton identified five primary principles of globalisation. The fifth is worth highlighting again:

Globalisation is not solely an economic phenomenon in a historical and geographical context. It has political and social consequences. In particular, it impacts on, but does not eliminate, cultural differences, and it reduces but does not eliminate, the policy discretion of nation-states (Easton, 2007, p.2).

With a focus now on devolution, subsidiarity<sup>12</sup>, regional competitiveness and the need for better cooperation and collaboration in a city-region for economic development purposes, governance, policy and practice need to be addressed. However, this does not eliminate the need for national policy. Rather, it ‘reduces the policy discretion’ of nation-states. In other words, more regional actors need to be engaged in the development of regional policy and practice:

...regional policies now go beyond a traditional distinction between top-down and bottom-up approaches. Policies to target public investments, both hard and soft, now depend on clear multi-level governance in which each level of government and each actor contributes to the vision and the policy design and, equally importantly, to the implementation of these policies. (OECD, 2009a, p.12).

The *modus operandi* of central government agencies, therefore, under a new regionalist paradigm, centres more on partnership and negotiation with regional stakeholders. Thus, vertical and horizontal integration, networks and partnerships, new institutions and better governance that utilises the knowledge resources found both within and outside government at a regional level, become important considerations.

Otgaar (et al., 2008,) in their book ‘Empowering metropolitan regions through new forms of cooperation’ used nine European case studies to describe three challenges facing metropolitan regions; the need for competitiveness, the need for a regional approach, and the need for cross-sector partnerships. All three of these challenges were present in the context of MAP. However, one of the fears that was found when supporting new forms of metropolitan governance was that it would simply set up another layer of government and more bureaucracy when ‘new regionalism’ calls for

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<sup>12</sup> Subsidiarity refers on one level to higher tiers of government having subsidiary functions that can be devolved, but on another level determining the most appropriate level for decisions to be taken. For example; by those most directly affected, by those best informed and by those best placed to deal with any consequences. This does leave unresolved ‘the highly subjective issue of what is “appropriate”.’ Treasury working paper 02/03, March 2002.

‘models of metropolitan *governance* rather than metropolitan *government*’ (p. 3). Therefore metropolitan regions need to be able to create governance structures that are ‘not tied to a single, dominant unit of metropolitan government’ (p. 4).

Otgaar (et al., 2008) also described four contextual factors that determined the success, or failure, of coalition-forming processes at the metropolitan level. These were the political-administrative (for example the number of tiers or layers of government and administration), the spatial-economic, the socio-cultural (particularly the tradition to cooperate) and the organisational (involving relevant public and private stakeholders) (pp. 235-257). They described the first three factors as mainly exogenous in that they can only be changed in an indirect way. The fourth, organisational, they described as endogenous as these are factors that the metropolitan region can affect in a direct way in that ‘partners can choose the design of the partnership, and change the design if needed’ (p. 251). They also determined that spatial-economic factors were ‘the main suppliers of motives to cooperate’ and within that ‘international competition between regions’ created a ‘sense of urgency’ (p. 249). In the case of Auckland all four factors were present, particularly the spatial-economic factors around international competitiveness.

### ***Summary.***

Given these considerations, a reductionist view of the economy, such as that prescribed in much of the neo-classical economic literature is limited. In a city-regional context global macro trends and forces are pervasive, there are many variables, contingencies and pathways to development, and the factors that drive regional development are both context-specific and exogenous, whereas economic policies implemented at a national level can be homogenous and misaligned. Organising for the economic development of a modern metropolitan region, therefore, challenges anachronistic government structures, and may require new and innovative institutional arrangements.

Wallis (2002) provided a useful framework for identifying new regionalism essentially contributing to a 'change in focus from a system of hierarchy which seeks to dominate production and distribution to network-based systems that accommodate different tasks and exhibit flexibility.' Otgaar (et al., 2008) described three context challenges and four factors that determined the success, or otherwise, of forming coalitions to empower metropolitan regions. These views of new regionalism provide lenses for the analysis of the Metropolitan Auckland Project and are discussed further in Chapters 9 and 10.

What follows is an explanation of endogenous RED that incorporates new regionalist concepts. Both of these paradigmatic concepts are apparent in the context and subsequent policies, processes and outcomes of MAP; also discussed in Chapters 9 and 10.

### **Chapter 3. Endogenous Regional Economic Development: A Synthesis of Territorial Dynamics and the Economy**

#### ***Overview and Introduction***

Chapter Three draws threads together from development, economic development, regional economic development and endogenous development literature. It finishes with a synthesis of these paradigms to propose an endogenous regional economic development lens to analyse and discuss the research. It draws mainly from regional economic development literature.

Endogenous RED is economic development in a region with strategies built on mobilising local resources (natural, physical, human and institutional). It has strong subtexts around mobilising leadership, innovation, creativity, knowledge and learning for economic development in a region. Emanating from classical western economic traditions, it has more relevance to developed economies. Endogenous development literature, emanating from less developed countries, through experiences of exogenous forms of development, brings with it notions of self-determination and a rejection, or re-calibration, of exogenous forms of development. Endogenous development literature applied to rural regions in modern western liberal economies brings with it notions of a defence of local identity in a globalising world and promotion of the real economy<sup>13</sup> as opposed to economic development in cities focussed on, for example, the knowledge economy. For this thesis the focus is on endogenous RED in a city-region, that is a functional economic region including a city or cities. Nonetheless, lessons from other contexts are instructive.

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<sup>13</sup> Interpreted as the productive part of the economy that produces tangible tradeable goods

Endogenous RED looks to leverage inherent strengths capacities and resources but utilise a number of actors, which may be local or not, to activate the strategy. The subtleties are more complex, with interactions, functional relationships and interdependencies that cross vertical and horizontal geopolitical boundaries in all cases. To explain endogenous RED, and the synthesis it brings between economic and territorial dynamics, the term has been constructed here from its economic roots adding territorial dynamics (including social constructionist views of regions). The different theories and notions are then brought together from both an economistic and social constructionist point of view. Thus, the view taken in this thesis is that melding together positivist (economistic) and social constructionist (geographical) concepts build a rich picture of endogenous RED in a city-region.

### ***Economic Development Theory and Practice.<sup>14</sup>***

The [GDP] counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage... Yet does not allow for the health of our children, the quality of their education, or the joy of their play... It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile. Robert F. Kennedy (cited in Suzuki, 2010, p.53).

Economic development is not the same as economic growth. This simple observation holds true in an examination of economic development, regional economic development and endogenous regional economic development literature. Economic growth can be described quite comfortably through econometric modelling and in numeric terms; increase in incomes, GDP, productivity and so on, whereas economic development incorporates qualitative judgements. For example, while increasing average incomes may be a laudable goal for economic growth an economic development goal may look

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<sup>14</sup> This section draws from Wilson, D. (2005) 'Economic Development Education for New Zealand.'

at how incomes are dispersed and seek to address pockets of deprivation. The fact that many of the activities that could be called economic development can lead to economic growth does not detract from the notion that development denotes moving from one state to another to improve things (however one determines improvement).

According to Roberts (1976), the philosophical assumptions underpinning economic development can be traced back through 21 different civilisations, each of which has displayed a bewildering array of development models and patterns. Some of these models have emerged from within particular scientific disciplines and traditions as in the case of Rostow (1960) who related *development* to stages of economic *growth*. Others emanate from the active intervention of groups of nations in establishing agencies where economic development was defined as the primary goal. For example, the Bretton Woods Conference of 1944 led to the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development (World Bank). The primary aim of those institutions was to restore war-torn Europe, reconstruct their economies and prevent further economic or military conflicts.

Globalisation has added a further dimension reducing the influence of governments over their economies as they are increasingly opened up to global market forces. Notions of comparative and competitive advantage are vital, but the emerging notion of collaborative advantage is especially pertinent for a small trading nation, like New Zealand, that is a long distance from key markets and yet must compete with much larger economies closer to those markets. To compete New Zealand must seek ways to build critical mass; collaboration is one way to do this.

To remain competitive, an argument for New Zealand is that it must be strategic, specialise, and make economic development choices that build on comparative and competitive advantages (Dalziel and Lattimore, 2004; Rowe, 2005; Easton, 2007; Dalziel and Saunders, 2014). Those choices, however, are constrained, shaped or supported by historical strengths, natural resources, productive capacity, labour-market capacity, the ability to innovative, human, social and cultural capital.

Markets respond to dispassionate stimuli: buy and sell transactions, supply and demand, the perception of worth, leveraging advantage from imperfect information, and, markets fail. In the main they fail to deliver public good outcomes other than through positive (and many times negative) externalities or as unintended by-products of market activity. Markets do not have independent reflexive thought or value judgements, people do.

A market does not function without people; people set the rules (and evade the rules) by which the market operates and people make decisions that influence it. As such markets are open to coercion, corruption, gamesmanship, brinksmanship and tend towards monopoly or oligopoly, given enough time and a free hand. Even commodities, which are deemed to be non-excludable, have tended towards oligopolies in global markets. There is also a reflexivity failure and a lack of normative judgement; that is a failure to consider what has happened when determining what should happen in the future. At times, markets fail with dire human and environmental consequences as a result of flock-like behaviour.<sup>15</sup> In other words, markets don't think, people do and markets don't buy or sell, people and organisations do. Markets don't invent complex derivatives and futures, people do. Markets are therefore a reflection of decisions and actions taken by people and people in institutions.

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<sup>15</sup> For example, people together anticipate future gains or losses from price movements.



The market environment provides the context, however, because economic development actors and agents have to take into account that competitive advantages, perceptions of worth, products, services, and markets are the mechanisms through which most formal economic activity is conducted. Even if a market is nothing more than a construct, it describes a group of similar economic transactions. Markets, preferences and prices also constantly change, in some cases very quickly. For firms and regions alike the market for their range of offerings is a highly competitive place, made more so by global economic integration and increases in information and communication technologies, knowledge exchange and factor mobility.

An alternative interpretation of development is to be found in the development literature of the Third World and explicitly in the promotion of a New International Economic Order. The Brandt Report (1980) advanced an alternative to the G7 countries and their sovereignty and control over global resources in an attempt to address the North-South divide promoting the idea that there should be a transfer of resources from developed to developing economies. Nobel Prize winner in economics Amartya Sen (1999) in his book 'Development as Freedom' saw development as a 'process of expanding substantive freedoms' which has increasingly been adopted by international development and aid agencies looking to increase the quality of life in developing countries. However, advancing human freedoms or offering increased opportunities for people to participate in society is always in the context of global social, economic, institutional, and political pressures. Dominant economic theories that drove these efforts emanated, and perhaps wavered between, neo-Keynesian, classical and neo-classical, with more recent (from the 1970s on) economic critiques and theories such as

neoliberalism, monetarism, feminism and environmentalism. John Ralston Saul, for example, believed economics as a profession and science was found wanting:

Economics as a prescriptive science is actually a minor area of speculative investigation. Econometrics, the statistical, narrow, unthinking, lower form of economics, is passive tinkering, less reliable and less useful than car mechanics. The only part of this domain which has some reliable utility is economic history, and it is being downgraded in most universities, even eliminated because, tied as it is to events, it is an unfortunate reminder of reality... It's not that the economists' advice hasn't been taken. It has, in great detail, with great reverence. And in general, it has failed. (John Ralston Saul, 1997, p. 4).

Some fundamental precepts are worth outlining. If the focus is *development* in liberal western economies and relatively recent history, there are some elements and traditions that come together in identifying development. According to Shirley (1979) four basic elements can be identified:

First, at the individual level, the process of human development comprises both genetic and environmental factors, which condition human beings as they proceed through different stages of life. There is vast educational literature devoted to human development and life stages.

A second element relates to those *primary and secondary institutions* in society that transmit and maintain social values and norms, thereby limiting and conditioning individual action during development. Included within this complex of social systems are familial and tribal institutions, stratification systems both social and economic, various information mediums, and those systems that organise the production, exchange and transfer of goods and services – economic systems of production.

A third element centres on *the nature and role of the state*. The intensity, level and form of state involvement are key factors in defining alternative styles of economic and social development.

A fourth element relates to, and incorporates, all other realms of development; *global influences, macro forces* and social movements which condition the simultaneous pursuit of individual and social well-being. The *institutions and structures that mediate 'change'* are themselves inextricably linked to global patterns of trade, communications and technology. (*Emphasis added*).

For this research, the nature and role of the state, global influences and macro forces, and the institutions and structures that mediate change are particularly relevant. Economic development can similarly be viewed through these elements. Economic

development is a process and goal oriented but not an end in itself. If the qualitative elements of development are designed to meet certain defined [societal] outcomes the process needs to be reflexive and continually improving. There is no doubt that the determination of improvement is value-laden and often highly political. Nonetheless, development infers moving from one state to a better one.

Economist Phillipe Aydalot (1985, cited in Vázquez-Barquero, 2010, p. 29), a follower of Perroux (1955) and Schumpeter (1934), described economic development processes as having three fundamental features:

- *Instrumental* in that there need to be development agents/organisations/firms that are flexible and productive organisations;
- *Strategic* in that diversity in technology, products, tastes, and culture opens up multiple paths for development based on the combination of factors; and
- *Operative* in that agents need to combine factors and investment to encourage an innovative milieu that continually produces new goods and services.

Aydalot combines economic notions with territorial ones – place effects – describing how the practice of economic development is utilising agents and strategy to combine the right factors of production with territorial dynamics to create an innovative milieu. Aydalot has captured much of the contemporary focus and conundrums for RED.

The role of the state, as actors in the economy, is substantial. The economy is not simply markets and private business. Even a cursory foray into feminist economics shows that the operation of the economy stands on the pillars of non-monetised activity

and that what is counted is not necessarily what is valuable.<sup>16</sup> But even if one starts from the position of observing what we count, the public sector is a key actor in the economy. It invests in, and sometimes owns, roads, railways, ports, airlines, sporting stadiums, museums, theatres and other cultural infrastructure, social services that support employment, business development services and infrastructure, universities, science and innovation parks, innovation, research and commercialisation activities, events, place branding, tourism infrastructure, place-marketing, and so on. It is in the public interest to have an economy that provides prosperity for its citizens. Value-judgements, therefore, about the types of activities and structure of the economy are not the preserve of the public or private sectors alone, they take on wider societal concerns that need to be incorporated into strategic decisions. Strategies that are designed to improve the economy have both public and private sector actors; both have roles to play and are inherent in economic development processes. In RED, these dynamics play out in a concentrated way with tiers of government and bottom-up and top-down views of development.

If one accepts that economic development is a process designed to achieve certain goals for society, it is ergo, purposive, not passive. Therefore, it denotes actions and decisions taken for the benefit of society. This notion challenges many preconceptions about the nature of capitalism, the market and economic development, particularly in neoclassical and neoliberal theories of economic growth; where governments should try to stay out of markets and decisions that influence markets. This kind of view is unrealistic in light of global challenges around poverty, joblessness and environmental concerns. People need jobs that pay; it is the kind of work that needs to be determined (Waring, 1988; Shiva, 2005; Børnholt and McKay, 2014; Dalziel and Saunders, 2014).

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<sup>16</sup> See for example Waring (1988)

The US Economic Development Administration in 2004 focused on new growth theories and constructs, productivity, growth and innovation (where innovation was interpreted as an exogenous construct), implying that certain prescriptive actions and measures should be taken. The US EDA contended that positive externalities for society (increasing prosperity) and the economy (raising productivity) would result:

...the bottom line of economic development today is about building prosperity and raising the standard of living. Productivity and productivity growth are the fundamental drivers of prosperity, and innovation is the key driver of productivity. The focus of economic development should be on supporting innovation and increasing prosperity. (Economic Development Administration, 2004 cited in Rowe, 2004, p.2).

Economic development is a term much used in policy, academic and business circles, but often without a clear definition or agreement on what is meant by it, or what might be achieved by it. It is often conceptualised as “the practice of economics” or “applied economics”, but these are narrow definitions as the reality of the economics profession is enmeshed with institutional, political, environmental and societal dynamics. As John Ralston Saul points out economics as a profession it is not an exact science:

A profession implies both real parameters and professionals who bear some responsibility for the effects of their advice. If economists were doctors, they would be mired in malpractice suits. (1997, p.4).

Blakely and Bradshaw (2002) described the practice of local economic development as a multi-disciplinary profession:

The individuals who work as economic development specialists are forming a new profession, based on several other occupations ranging from planning and economics to social work... Although this field has no real origins in the classical professional sense, it owes a great deal to the existing applied disciplines of geography, business administration, public finance, political economics, and urban planning. In essence, the local economic orientation, or set of practices, is a hybrid of existing concepts, disciplines, and areas of practice moulded together to form a new area of professionalism (p. 375).

Economic development professionals are individuals who work at various levels of society with varying degrees of influence and experience, and, as such, are not a coherent profession. However what is common is that they bridge the public and private sectors, often with a public mandate. This type of integrated approach, advocated in many governmental economic development agencies, requires actors to have a common understanding of what they are working towards and collaboration across sectors of society and government. However, in reality, the practice of economic development, as practised in many government departments, government sponsored economic development agencies or private sector agencies, varies greatly from community to community, region to region and nation to nation (Clark, Huxley and Mountford, 2010). The practice of economic development is also often diffuse and lacking an empirical basis as Miller (2009) pointed out:

We plowing the ED field are not working in sterile operating theatres, nor laboratory conditions, nor within readily specifiable parameters of reality. We are trying to make this ED stuff work amid a thousand poorly-defined and constantly shifting variables; determined in large measure through human and social irrationalities; buffeted by continuous pressures of politics and public opinion; across thousands of community cases that vary wildly from one another in terms of size, demographics, cultures and other geographic characteristics. (Miller, 2009, p.32).

The region, as a reasonably coherent geographical concept with critical mass in functional economic terms, is an increasing focus of policy and action for the practice of economic development.

### ***Regional Economic Development***

Regions at a sub-national level that may have once relied on central government for economic policy to guide regional economic development activity now find that the levers employed by central governments - subsidies, tariffs, monetary and fiscal policies – are constantly watched and lobbied by other nations and are becoming less effective in

supporting RED efforts. For a small trading nation like New Zealand, dealing with trading partners that have cities and regions with economies larger than New Zealand's entire GDP, this presents some challenges.

For regional economies to maintain or increase competitiveness, they must remain responsive to changing market conditions and consumer behaviour. These are not always apparent to firms who have to deal with information asymmetries, let alone regions with differing economies in scale and scope, differing governance and institutional capacity, differing transaction costs and trade barriers and differing human, natural and physical resources. For New Zealand firms being part of a small isolated island economy, these constraints are even more apparent than for many of their competitors with much larger domestic and proximate markets (Easton, 1997; Conway, 1999, Dalziel and Lattimore, 2004; Rowe 2005; Dalziel and Saunders, 2014). The same applies to regions with clusters of exporting firms involved in various parts of global value chains (Schöllman and Nischalke, 2005).

If you accept that diversified regional economies are fundamental to sustainable economic development, then planning and engagement at the regional level between firms, institutions and agencies with a common agenda becomes fundamental. The question then arises; what does the practice of regional economic development entail? In RED, a territorial element is introduced where the focus is at a meso-level, functionally between micro and macroeconomics, and territorially between local and national levels. Bottom-up forces (firm/industry/local/community ED aspirations) and top down (national-level) macroeconomic policies and strategies intersect, clash, or can be orchestrated to mutual advantage.

RED has become increasingly important as nations recognise the importance of regional economies to national economies in a globalising world. A territorial dimension, on the one hand, allows for observable phenomena with significant scale and scope, but on the other can cut across functional relationships that are inherent in markets, industry sectors and clusters of business activity. This dynamic is apparent when one considers functional economic regions, where geographic and economic factors are considered together:

At one time regions were protected from outside competition, and to some extent, their economies could be manipulated by national governments. But that ability has been overwhelmingly compromised as the economic rationalism pursued by many national governments left many cities and regions to fend for themselves. Many cities and regions have looked to higher levels of government for support and resources to provide economic direction and investment to stimulate economic development. Unfortunately, many cities and regions have failed to understand that globalisation has left those higher levels of governments relatively weak when it comes to using their inherent power to apply economic and policy mechanisms to enhance the competitiveness of regional economies. (Stimson, Stough and Nijkamp, 2011, p.7).

There are scale and scope differences that influence what is possible at a regional level which are particularly important when dealing with a large city-region, where the word local is interpreted differently from the word regional. Local in this context aligns more with micro-level theory and actions (aimed at the firm or cluster of firms) and regional tends to align more with meso-level theories and actions. As yet, however, scale is a confounding variable that is not well handled in macroeconomic theory let alone RED theory and practice. Due to definitional confusion in the international literature, Beer (2003, 2009) simply uses the terms local and regional interchangeably. Both of the words denote a territorial basis to analysis and action but have different interpretations internationally. The interpretation of this research is regional (sub-national territories) which include (sub-regional) local areas. For the rest of this section, the reader should interpret regional and local interchangeably.



Blakely (1994) described local economic development as process-oriented:

...That is, it is a process involving the formation of new institutions, the development of alternative industries, the improvement of the capacity of existing employers to produce better products, the identification of new markets, the transfer of knowledge, and the nurturing of new firms and enterprises. (Blakely, 1994, cited in Rowe, 2004, p.2).

Greffe had a more bottom-up approach emphasising that the process needs to be part of local community activity. Greffe viewed the relational and institutional aspects of a community as the precursor to, or basis for, development, therefore, he viewed local economic development as:

... a wide-ranging concept that can best be seen as a process through which a certain number of institutions and/or local people mobilise themselves in a given locality in order to create, reinforce and stabilise activities using as best as possible the resources of the territory. (Greffe cited in OECD, 1999, p.6).

Continuing from Greffe's view of the importance of bottom-up processes, Vázquez-Barquero (2010) considered that endogenous development processes are the main concern of local and regional development and argued that an evolutionary, as well as institutional approach, is needed; one that goes beyond traditional neo-classical and macroeconomic constructs for understanding regional growth and development. He considered:

...development as a territorial process of growth and structural change in which the local actors and communities are committed... [and] that this approach is an interpretation capable of analysing the on-going dynamic and economic changes and is a valid instrument for action in a context of continuous economic, organisational, technological, political, and institutional change (p. vi).

Endogenous RED, therefore, is a process in which local actors are committed to certain economic development outcomes, pursued on a territorial basis, utilising the knowledge and resources available to that territory.

There are differences between macro and meso economic theory and practice, and between national economic policies and actions and those taken at a city or regional level. As such there are differences between the solutions with some arguing that it is the job of lower tiers of government and development agencies to implement national strategies and policies, and alignment and coordination are key to implementing policy. Others would determine that there are different regional (territorial) dynamics that require attention and that these should drive national and regional efforts (Clark, 2005; Clark et al., 2006; Vázquez-Barquero, 2010; Stimson, Stough and Nijkamp 2011).

These differing views can be polarising when trying to achieve a concerted and strategic approach at a regional level. However, combining the evolution of regional (meso) economic theory with macroeconomic theory has the potential to inform economic development theory and practice at both levels. Macroeconomic theories utilise functional abstract constructs such as capital, labour, prices, markets, productivity, income, growth, employment, unemployment and comparative advantage. Regional economics, on the other hand, must deal with territorial dynamics; geographical, economic, human and institutional, that together provide different factors for development. This is not an easy alliance, as the constructs, theories, sources of evidence and assumptions differ considerably between disciplines.

New Growth Theory (NGT) and New Economic Geography (NEG) are examples of this fusion and interdisciplinary approaches to understanding the relevance of macroeconomic concepts at different spatial and functional scales. For example, some writers have questioned the relative importance of comparative advantage in regional development given the absence of, and the undifferentiated effect of, macroeconomic

levers like monetary control, interest rates and exchange rates.<sup>17</sup> Moreover functional concepts such as those used in macroeconomic theories and frameworks do not adequately explain why some regions do better than others, and why, sometimes, there is no convergence among regions.<sup>18</sup> Also, important regional factors like institutional thickness, sector concentrations, clustering effects, knowledge exchange and regional innovation systems can be place-specific and heterogeneous.

Geographers and other social scientists have also contributed to RED theories by exploring the dynamics of “place” and “space”; the notion that there is something about the human dynamics in a place that explain RED better than abstract macroeconomic theories or constructs. Thus, uncovering the territorial context and the underlying reasons for growth are both important factors to consider in RED.

Data and analysis, therefore, needs to be assembled at more appropriate spatial and functional levels using concepts, theories, constructs and notions appropriate to the task. As Capello and Nijkamp (2009, p.1) point out ‘[R]egional development is not only an efficiency issue in economic policy, it is also an equity issue due to the fact that economic development normally exhibits a significant degree of spatial variability.’ Thus ‘...[T]he study of socio-economic processes and inequalities at meso and regional levels positions regions at the core place of policy action and hence warrants intensive conceptual and applied research efforts.’

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<sup>17</sup> See for example Button in Stimson, Stough and Nijkamp (2011) and Capello and Fratesi (2013).

<sup>18</sup> A neoclassical proposition is that, all things being equal, regions will tend towards equilibrium as low factor cost regions will attract industry taking advantage of low factor costs (rents, subsidies, wages). Once they employ low cost labour they will eventually drive up productivity and wages creating a levelling effect across regions.

Economists, however, have also considered the dynamics of space and many economic theories are the basis for contemporary regional economic policy and action. The exploration of spatial dynamics can be attributed to the works of a number of scholars who have attempted to understand the interrelated dynamics of territory and economy. For example, Schumpeter explored industrial dynamics allowing new entrepreneurs to initiate and take advantage of creative destruction.<sup>19</sup> He proposed that entrepreneurs see opportunities arise out of a business context through interaction with other workers, firms and entrepreneurs, thus learning what is possible and what is not, by observing market failures and opportunities.

Myrdal's 'cumulative causation theory' (1957) proposed that the right combination of factors within an industry and a region will cause that industry to gain a competitive advantage. Better exchange of knowledge, technology and processes happen between and within firms thus causing a cumulative growth effect as constant learning, and the advances in technology and productive processes, set one group of businesses on a path of growth whereas those separated by distance and less interaction are disadvantaged. Proximity, therefore, creates a self-reinforcing and cumulative growth effect that otherwise might not have happened.

Perroux's (1955) 'growth poles' are similar to Myrdal in that there is a cumulative effect caused by the dynamics of a place. But, according to Perroux, that place is often anchored by a significant producer, or producers, that have a competitive advantage and

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<sup>19</sup> Creative destruction is a term used to describe the continual process of renewal that takes place within an industry or sector of the economy. Entrepreneurs take advantage of on the job learning in larger firms when those firms are unable to, or refuse to, create new products or services allowing entrepreneurs to take advantage of that opportunity. Or entrepreneurs replace older products and services (and the firms that produce them) with new or better technology or ideas thus creating a 'creative destruction' of redundant or outmoded technology and firms.

create forward and backward linkages that cause the growth of industry sectors around growth poles.

Porter's (1990, 1998) cluster theory described the dynamics of not only industry-specific relationships but the functional relationships and networks that are created by ideas or market opportunities thus forming a group of market-related firms. The cluster concept is different from the traditional notion of an industry sector in that a cluster would include all of those needed to meet a certain market need. For example, a wine cluster would include those involved in the marketing, bottle manufacture, label printing, grape growing, wine making, and competitors, with the idea that this set of relationships together will give the combined group a competitive advantage over another group of less well-organised firms in another place. Whereas, Schumpeter, Myrdal and Perroux were observing positive externalities from competition, Porter's primary focus was how to gain collaborative advantages.

Other literature includes a recent resurgence of agglomeration theories, Florida's creative classes, [regional] innovation systems and endogenous sources of innovation, knowledge spill-overs and 'learning regions'. Antonio Vázquez-Barquero (2010) in the preface to his book 'The New Forces of Development: Territorial Policy for Endogenous Development' proposed that new forms of territorially based economic development policies are emerging that go beyond the older neoclassical prescriptions emphasising gaining a more in-depth understanding of the dynamics of a region:

The new reality calls for a view that goes beyond the standard neoclassical model that explains growth by focussing on resource endowment and technology...The premise is based on the concept of endogenous development, which is an interpretation of the economic dynamic based on the dynamics and interactions of the forces of development. (P. vi).

Stough (et al., 2011) posited that while macroeconomic theory has been dominant in regional policy and planning, there has been a gradual evolution from theories based on comparative and competitive advantage towards notions of collaborative advantage. Also, a concurrent shift towards multi-sector integrated planning and strategy necessary to deliver regional competitiveness, on the one hand, and sustainable development on the other (see Table 2 below). Building collaborative advantage and utilising multi-sector integrated planning has significant ramifications for regional governance as the potential conflict between these two concepts, competitiveness and sustainability, is amplified in cities.

**Table 2 Changing Focus for Economic Development Policy, Planning and Strategy**

Focus of Economic Policy					
Keynesian Thought Post war – mid 1970s		Monetarism Thought Mid 1970s – 1990s	Rationalist Thought Late 1980s – 1990s	Sustainability	
1960	1970	1980	1990	2000	
Public Economic Development Agencies	Regulatory economic development, mixed economic development	Focus on value-adding strategies. Incorporating workforce and technology change	Initiatives to reduce social disparities by incorporating disadvantaged groups into the mainstream economy	Initiatives to improve environmental and overall quality of life to attract highly skilled workers and forms	Sustainable development
Focus of Economic Planning Strategy					
Master planning infrastructure oriented	Goals and objectives planning	Structure Planning	Strategic Planning	Integrated Strategic Planning	Multi-sector Integrated Strategic planning

**Source: Stough, Stimson and Nijkamp (2006) cited in Kourtit, NijKamp and Stough (2011, p.5).**

A “city-region” is one of a number of terms used to describe differing contexts for regional development. Others include rural regions where the economic activity is primarily rural production and populations tend to be less concentrated, polycentric regions where there are a number of concentrated economic nodes or urban areas, and metropolitan regions where cities seemingly merge to form a larger metropolitan agglomeration. Sometimes a city-region is used to describe a polycentric city-region where the region is made up of a number of functionally related cities but each with a distinctive functional economy.

National governments and international agencies have realised that all regions are not the same; that the economy is made up of spatially differentiated industry, clusters and sectors, and different regions have different resources; human, natural and physical, that provide the basis for development. A dilemma for higher tiers of government is the amount of devolution needed and the allocation of state funding for regional development. In this respect, national governments are increasingly favouring regional competitiveness through decentralisation (OECD, 2010).

The World Bank (2004) observed three waves of strategies and actions in local economic development since the 1960’s (see Table 1, p.48) broadly reflecting a move from exogenous development strategies to endogenous development. Stough, Stimson and Nijkamp (2006) observed a shift towards collaborative advantage and integrated planning with an endogenous approach. Both saw a concurrent shift in focus from trying to gain competitive advantages for territories through hard infrastructure investment, subsidies, grants and tax breaks, to finding collaborative advantages by building on the inherent and developed strengths and assets of a region. Finding

investment, therefore, becomes an exercise in supporting the strategic development pathways of the region. As a result, the political economy of a region should promote partnerships between tiers of government (particularly in coordinating policies and programmes), partnerships between the public and private sectors to induce the right kind of investment and development, and partnerships between the state and the third sector in promoting social cohesion. Thus moving from government to governance arrangements:

Multi-level governance approaches involving national, regional and local governments as well as third-party stakeholders (e.g. private actors and non-profit organisations – NPOs) have increased in importance, compared to previous approaches dominated by central government. (OECD, 2010a, p.14).

The task of finding suitable governance arrangements for RED, then, is one of supporting good process but also seeking to manage activities in a way that the desired broader outcomes can be achieved. Greg Clark described facilitating economic development as ‘fundamentally a change, risk, asset and relationship management activity undertaken within a territorial framework’ (Clark 2002, p.3). Therefore, the institutional capacity of a region is important to manage change and risk amid global market dynamics and to take advantage of local knowledge, assets and resources.

More recently regional scientists have been exploring how endogenous processes and local know-how interact with firm, cluster or industry sector technologies, learning and innovation. This literature looks at innovation and growth in all regions whether metropolitan, city, rural, knowledge or industry based, diversified or specialised, lagging or otherwise. Post the GFC (in 2008), and concerns for rural and lagging regions, a regional growth agenda was being explored that included looking at ways to promote innovation and growth in regions through ‘smart specialisation’. Smart specialisation ‘spread quickly and was adopted in the EU 2020 Agenda with its



objectives of smart, sustainable and inclusive growth’ (OECD, 2013, p.11). This approach emanated from evolutionary and institutional economics, economic geography and regional science endeavouring to understand spatial and functional determinants of innovation and regional growth. Concepts such as technological relatedness,<sup>20</sup> related variety<sup>21</sup> and smart specialisation<sup>22</sup> gained favour in OECD and EU policy settings. The literature suggested ‘that “related variety” - which refers to economic diversification offered by combining localised know-how and assets into new innovations that are related to existing areas of strength - leads to the best economic returns’ (Frenken et al. 2007; Boschma et al. 2012 cited in OECD, 2013 p.28). Previous innovation and RED literature had posited that knowledge assets, density of firms, sectors and institutions, and the opportunity for innovation through proximity and tacit knowledge exchange gave cities with diverse economies an innovative advantage over rural and less diversified regions (OECD 2013). Thus related variety and smart specialisation applied to those regions with less diversified economies, but strong specialisations, provided paths to innovation and diversification (McCann & Ortega-Argilés, 2015). This stream of literature also has a rich history in economics, geography and regional science.<sup>23</sup>

Cooke (2014, p. 458) described three phases of the evolution of RISs that underpin RED. First, a rather Eurocentric, static, manufacturing-led approach supporting

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<sup>20</sup> Technological relatedness refers to the notion that firms, sectors or clusters will innovate based on knowledge exchange and spill-overs between or within firms where related (but different) technologies intersect

<sup>21</sup> Related variety refers to the notion that the presence of a variety of related technologies, clusters or sectors, local knowledge and knowledge assets, provides greater opportunities for innovation. This supports the notion that a diversified economy is good for innovation, entrepreneurship and, therefore, growth. Also, that innovation can come from connectivity between different sectors of the regional economy, culture and society.

<sup>22</sup> The original smart specialization concept assumes that context matters for the potential technological evolution of innovation systems (knowledge ecology). (McCann & Ortega-Argilés, 2015 p. 1292). It ‘posits that the most promising pathways forward for a region to promote its growth are by diversifying into technologies which are closely related to the existing dominant technologies. (Ibid, p.1297).

<sup>23</sup> See for example Boschma, Minondo and Navarro (2011), Boschma & Frenken (2013), Cooke (2012; 2014), McCann & Ortega-Argilés (2013; 2015), OECD (2013).

connectivity by building knowledge assets like science, technology or innovation parks. Second, supporting entrepreneurship by managing knowledge flows between endogenously produced knowledge and the exploitation (commercialisation) of that knowledge within a region. Third an evolutionary economics approach, incorporating complexity theory, that seeks to promote adaptive systems and co-evolution for the emergence of innovation from the re-combination (or re-configuration) of knowledge assets as well as looking for gaps or “holes” between clusters and sector-cluster innovative potentials. This last conceptualisation has gained more acceptance in the literature post the MAP project.

The theories and practices surrounding RED include and intersect with the notion of endogenous development. When higher tiers of national and international government’s and institutions have required structural reforms that do not relate to the fabric of the region, and where global rules and shocks in trade and investment have impacted regions on a level that they have little control over, an alternative approach seems logical. Endogenous development and RED intersect in a desire to mobilise local resources for development when traditional neoclassical forms of economic development at a macroeconomic level have been found inadequate.

As Massey (1984) put it endogenous development is ‘based on the assumption that each local community has been historically shaped by the relations and interests of its social groups, the construction of its own identity, and its own culture which distinguishes it from other communities’ (cited in Vázquez-Barquero, 2010, p.57). An endogenous development framework, therefore, seeks to understand the relationships and networks that underpin development, whereas much of contemporary RED practice works within established national frameworks and strategies to implement economic development at

the local level. In this sense contemporary RED practice can still be top-down even when the intention is the reverse and gaining better coordination and alignment with central government strategies rather than collaboration, vertical and horizontal integration and fit-for-purpose governance at a regional level are still evident (Wilson et al., 2006; Froy and Giguère, 2010; Lambert, 2011).

The RED framework is complicated by the many competing theories in regional science and empirical studies attempting to establish the causes of regional growth or decline, and the questioning of regional convergence theory. To this end, RED literature attempts to interpret the endogenous factors that underpin regional growth. In these respects, endogenous development or endogenous growth theories stemming mainly from Romer (1986), Lucas (1988) and Krugman (1991, 1995, 1996) are further developed in a regional development context by a vast number of writers (Vazquez-Barquero 2006, 2009, 2010; Capello and Nijkamp 2009; Stimson, Stough and Nijkamp 2011). These developments hold much promise in RED from the interaction of functional economic concepts with scale factors, spatial determinants of growth and innovation, and path-dependent and context-specific factors. As Beer (2009) argued:

What is needed by both practitioners and researchers is a solid evidence base on local and regional development strategies and policies that are effective and the circumstances that determine whether they have a positive impact. Such research needs to eschew the complex and highly nuanced arguments of much scholarship on regional policy because at best such debates are seen to be irrelevant to the 'real world' of economic development, at worst they are perceived to be alienating to practitioners and misplaced in their policy prescriptions.' (Beer in Rowe (ed.) 2009, p.85).

Highly nuanced and complex regional science and econometric models that have been developed attempt to capture and operationally define notions such as creativity, leadership, institutional capacity, knowledge and innovation, however these notions resist definition and are often context-specific. Yet, these intangible factors are

increasingly recognised as the factors that determine RED outcomes and in lagging regions path dependencies may actually hinder development and diversification. The economic rationalist approach, Beer believes, has the potential to keep theory and practice apart, and even diverging further, if academics persist with reductionist theoretical models of development that have come, mainly, from macroeconomic theories:

Academics and economic development professionals need to work together to identify priorities and then undertake the investigations necessary to produce a much stronger knowledge base on effective local and regional development. Inaction in this area would see practitioners and researchers drift further apart and contribute to the continuing weakness of this sector.’ (ibid).

A more nuanced endogenous approach to RED, therefore, is required.

### ***Endogenous Development.***

The Collins Compact English Dictionary describes ‘endogenous’ as; “*adj Biol:* developing or originating from within”, describing processes that originate or develop from within a particular organism or system. Economics has borrowed this term to describe phenomena or processes that originate or develop from within a productive system. Endogenous economic development, therefore, will be highly sensitive to context; the forces, patterns and conditions that give rise to [the possibilities for] development. This section will use endogenous development concepts to inform contemporary RED theories leading to discussion of a synthesis of the two.

Endogenous development in a broader development context, outside of RED literature and theory, focuses more directly on human development and utilising different forms of local knowledge and resources as a basis for development. In this context development may be interpreted by a community as regarding health, education or

sustainability outcomes rather than, or as well as, economic outcomes. For example, no growth or even a temporary retrenchment in economic activity may be an endogenous development outcome for communities that feel they have had little gain from exogenous forms of development imposed upon them, and from which they have derived little benefit. As the focus here is on RED in a city-region, in a liberal western economy, literature from rural regions and developing countries is used to illuminate, and in some respects contrast, endogenous development theory with RED literature.

Endogenous development includes notions of empowerment, local ownership and control of productive systems, sustainability, and socio-economic development. These are prevalent in sociological interpretations, rural studies and ‘third world’ development literature.<sup>24</sup> This is not to say that one form of development is singularly better; or that they are in juxtaposition, as a major criticism of endogenous development is that it tends to be ideal-typical and promotes romantic notions of self-determination that deny the realities of exogenous or global influences.

Bressi (2006) coined the term ‘glocalism’ to convey the interaction between the global and the local where the local asserts more control over global forces in local development pathways. Sen (2003) in his paper ‘The Global and the Local’ asserted that ‘The real challenges associated with globalisation do not, in fact, lie in globalisation per se, but in other issues – particularly in effective local arrangements – which are sensibly discussed in conjunction with globalisation’ (p. 5). Sen is suggesting that endogenous responses to exogenous forces are critical, and that includes economic development

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<sup>24</sup> See for example Vanclay (2011) ‘Endogenous Rural Development from a Sociological Perspective’ in Stimson et al (2011) *Endogenous Regional Development: Perspectives, Measurement and Empirical Investigation*, or case studies in endogenous development in a third world context from [www.Compassnet.org](http://www.Compassnet.org)

arrangements, where ‘the ultimate basis of a global economy must lie in the vigour and coherence of local economies.’ (ibid, p.6).

Three main streams of endogenous development literature will be examined here. A heavy emphasis, given the nature and context of this research, is placed on the first stream of literature emanating from RED literature. The second and third streams are used mainly to contrast with, and illuminate, the first. The first literature stream deals mainly with economic development in developed countries where the basis is an extension of neo-classical economics in the form of *endogenous growth theory* and *new growth theory*. This literature has a rich theoretical basis in neoclassical economics and its use in regional economic development literature. There is a developing synthesis towards endogenous [economic] *development* “theory” that incorporates and focuses on a wider set of factors that previously dominant economic theories either discounted or did not adequately account for. These include local knowledge, creativity, innovation, learning, human and social capital, leadership and institutional factors. The synthesis, therefore, incorporates different disciplines including, but not limited to, human and economic geography, political science, planning, regional science, institutional and evolutionary economics.

The second stream of literature stems mainly from observations of regional disparities and divergence (especially, but not limited to, developed economies) at odds with macroeconomic convergence theories. Much of this critique comes from sociological interpretations of development in rural regions looking at issues of:

- [In]equity
- Inter-regional disparities (with the word regional often interpreted as rural)
- Intra-regional income disparities

- The rural/urban divide (particularly relevant when a city's rural hinterland becomes relatively less productive, and there is pressure to change land-use policies and practices)
- The changing nature of rural economies in a post-Fordist paradigm, and
- A questioning of neoclassical convergence theory due to differing contexts, assets and resources in rural areas.<sup>25</sup>

Globalisation has also played a part in this literature where notions of connectedness, self-determination, devolution, capacity building, strong local governance, social capital and cultural integrity (or cultural capital) are regarded to play a major role in how rural regions address wider global forces of change in labour and capital mobility. This literature has origins in both developed and developing countries but has a strong stream of interpretation in developed countries where rural regions are lagging behind cities as a result of urbanisation. The literature provides a critique of the increasing focus on cities and the “knowledge economy” at the expense of productive rural areas with their focus on the real economy.

The third stream of literature stems from development literature in the third world. This literature can be sociological and anthropological as well as economical in its interpretations of development, where the emphasis is on notions of equity, power, empowerment, and [dis]enfranchisement in reaction to exogenous forms of development. Many of the concepts in this literature stem from utilising traditional and local knowledge to solve development problems. These may include advancing health outcomes, encouraging sustainable development and the ownership of local resources,

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<sup>25</sup> See for example Slee (1994), Bowler (1999), Gralton and Vanclay (2006, 2009), Vanclay (2011).

encouraging the return to diversity in biosystems and food production, economic, environmental and social justice and cultural autonomy. All of these concepts or strategies sit against a backdrop of powerful multi-national companies and international aid organisations imposing mainly exogenous forms of development and structural reforms in return for financing development.<sup>26</sup>

Endogenous development theories in this context are less empirically developed often using inductive theorising and ex-post observations with limited generalisability due to the evidence being very context-specific and coming from the experiences of development agents and locals. This latter point is perhaps self-evident as the frameworks, concepts and notions are inherently context-specific, and the experiences are often a result of development happening *to* communities rather than *with, for or by* communities.<sup>27</sup> In other words, specific contexts and circumstances have given rise to a reaction to exogenous or imposed forms of development with case studies and anthropological studies being the predominant forms of evidence. An inductive approach to gathering evidence, therefore, is deemed more appropriate, and deductive reasoning from grand economic theories is remote, abstract and inappropriate. Even “endogenous development theory” as advanced in regional development literature, with notions of leadership, innovation, creativity and institutional capacity, may seem somewhat abstract and ideologically purist in a village without clean drinking water, basic infrastructure, health and educational services, or when communities are at the mercy of despots and enmeshed in national, tribal, religious or political turmoil. In these cases, emancipation and human development are the endogenous development priorities rather than abstract economic constructs.

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<sup>26</sup> See for example Shiva (2005); Waring (2009) and van der Ploeg (2011).

<sup>27</sup> See for example [http://www.compasnet.org/ed\\_1.html](http://www.compasnet.org/ed_1.html)



These terms, theories, concepts and notions are used in varying ways and in different contexts; sometimes operationally defined, sometimes broadly defined, sometimes wrongly defined, and many times used interchangeably without clear conceptual boundaries. What is missing, it seems, is a better synthesis of the streams of literature and experiences that surround development from below, and a greater understanding of the human determinants of, and aspirations for, RED with a multidisciplinary approach to regional science and economics.

Frank Vanclay (2011), in a sociological perspective of endogenous development in rural regions, makes the point that the purpose of endogenous rural development is primarily sustainability, not regional economic growth. Endogenous rural development literature has self-determination and local control over productive systems and resources as predominant themes. Vanclay proposes a set of values associated with endogenous rural development (expanding on Slee (1994) and Bowler (1999)) that provides a framework for viewing endogenous development as social and economic constructs with the utilisation and preservation of local resources being a local determination. Those values were:

- ‘a goal to create diversified, resilient and sustainable local economies;
- local determination of development options;
- local control over the development process;
- retention of benefits locally;
- Utilisation of locally available resources (natural, human and cultural);
- valorization of “the local” and “place”, especially what is locally unique or special, and respect for local values;

- awareness of the rural as being post-productivist – that is, being a site of consumption as well as a site of production;
- appreciation of multi-functionality.’

He goes on to explain that ‘multi-functionality’ refers to the production of both market and non-market goods ‘such as environmental protection, landscape management, preservation of biodiversity and habitat protection, ecosystem services, carbon sinks, maintenance of cultural heritage, employment and livelihoods for rural people, and food security’ (pp 60-61). These values involve a mix of global issues and local action, the theoretical basis of which is far from settled and far from empirically tested as a regional development theory. They nonetheless make sense intuitively and have widespread acceptance both as a framework for determining endogenous development in rural regions and as sociological concepts.

One of the most compelling examples of this type of approach is the LEADER<sup>28</sup> programme of the OECD used to advance local development in rural regions. LEADER was conceived as ‘an integrated and endogenous approach to rural development.’ Running from 1991 to 2006 LEADER had seven components or principles, in its approach:

- i. Area-based
- ii. Bottom-up – encouraging participatory decision-making
- iii. Partnership – utilising a LAG (Local Action Group) to bring local institutions and groups together to enable focus on local development projects.
- iv. Innovation – promoting innovative local solutions to development issues

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<sup>28</sup> LEADER is an acronym for ‘Liaison Entre Actions de Développement de l’Economie Rurale’ literally meaning linking actions for the development of the rural economy.

- v. Integration – ensuring actions and programmes are linked to other strategies and actions and across sectors
- vi. Networking and cooperation – through the dissemination of information and learning and transfer of good practice and innovative ideas between areas
- vii. Local financing and management – a subsidiarity principle whereby decision-making, financing and management were devolved to the LAGs whenever it was thought institutional capacity was strong enough (otherwise capacity building was encouraged as part of the process). (Vanclay, 2011, p. 63, emphasis added).

An interesting observation is that area-based partnership, innovation, [horizontal] integration, networking, cooperation and subsidiarity are principles that apply to endogenous RED in city-regions. The main difference between the two is that a bottom-up drivers in RED need to be considered with top-down drivers and exogenous factors. Therefore, an endogenous RED approach is one that stems from within the region, rather than strictly from below.

Gralton and Vanclay, (2006, 2009) assessed that the LEADER programme and endogenous rural development ‘has far greater potential to be sustainable than, typically, do exogenous forms of development’ and that the benefits extended ‘far beyond what is normally considered by traditional economic indicators or measured as “growth”.’ These included:

- ‘Increased pride in where people lived
- Increased sense of being part of a community
- Increased interest in participating in community activities
- Increased social networks (social capital)
- An increased sense of place. (Vanclay, 2008 cited in Vanclay, 2011, p.66).

Vanclay admits, however, despite the evidence supporting endogenous rural development in the LEADER programme, that it is primarily a development ‘philosophy’ at the local level that can support the integration of endogenous and exogenous forms of development towards sustainable regional development (ibid). Vanclay proposed that the multi-functionality was a desire to move from mono-cultural<sup>29</sup> approaches to heterogeneity in agriculture providing for the long-term health of local ecosystems.

This critique is also evident in development literature of the third world, where the relative merits of both endogenous and exogenous forms of development can be debated, and where there are no clear lines of demarcation. As van der Ploeg (2011) explained endogenous and exogenous development are not mutually exclusive pathways, they are intertwined in a region's development. They are, however, useful frameworks for establishing where the benefits accrue and are essentially a ‘heuristic device’ that can aid in assessing development pathways and trajectories (van der Ploeg et al. 2000, cited in Vanclay, 2011, p. 60). For example, heterogeneity in agriculture is ‘...a multidimensional phenomenon’ that can analyse at least part of the diversity through the ‘degree of autonomy or dependency’ (ibid).

So, whether development is more endogenous or more exogenous is not defined in ideal-typical terms, as endogenous development is not exclusively based on local resources, nor is exogenous development only defined as entailing external elements. ‘What empirical research indicates is that both contain a specific balance between “internal” and “external” elements’; the unravelling of which is determined, for

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<sup>29</sup> in this context interpreted as vast areas of land dedicated to the industrial production of one crop – usually an exogenous form of development

analytical and development purposes, by where the benefits of the utilisation of local resources fall, how development is framed and whether resources, endogenous or exogenous, “fit” with local expectations of the outcomes of development. (van der Ploeg, 2011, p. 3).

...What turns out to be decisive is that, in the case of exogenous development patterns, it is the outside or external elements that compose the conceptual model from which the eventual utility of local resources is judged. If the latter “fit” with the former, they are integrated according to the rationale of the already established model. If not, they will increasingly be considered as outdated, worthless and/or as a “hindrance” to change. In endogenous development patterns, on the other hand, a different balance is to be encountered. It is the local resources, as combined and developed in local styles of farming that figure as the starting point as well as the yardstick for the evaluation of the eventual utility of “external” elements. If the latter may be used to strengthen both the specificity and the vitality of local farming styles, they will be internalised... If no “fit” can be created, the external elements will remain what they are, that is, “outside” elements.’ (van der Ploeg, 2011, pp. 3,4).

In the case of endogenous economic development the same principles can apply. Exogenous forms of development can be judged by their utility to endogenous forms of development. In the case of inward investment, for example, investment can be judged as to how it supports the strategic development of the local economy.

### ***Synthesis.***

RED and endogenous development are similarly territorially based. However, endogenous *economic* development literature places more emphasis on human capital, capital accumulation, the forces and evolution of development, and the institutional capacity in a ‘place’ that guides development. Where RED policy and practice has a strong geopolitical basis, endogenous development theory tends to be more cognisant of knowledge and learning, innovation, networks and relationships that provide the glue, connectivity and basis for development.

It is important to distinguish between ‘endogenous growth theory’, as proposed by Romer, and ‘endogenous development’ in a broader sense, which is not as empirically robust, or as well developed in a theoretical sense. Endogenous development is a concept born out of experiences of development most commonly found in rural or developing nation contexts where exogenous models of development are prevalent; and where locals have limited control over resources and benefit little from their extraction or use.

Notions of endogenous development in developed nations have tended to be thought of through an economistic lens, such as endogenous growth theory or new growth theory. However, there are examples of endogenous *development* being part of the array of tactics and strategies used in developed nations, that go beyond the neoclassical roots of endogenous growth theory,<sup>30</sup> looking to build on endogenous resources. Much of this approach is evident in territorial or ‘place-based’ approaches. For example ‘new economic geography’ and ‘new regionalism’ seek to interpret the dynamics of networks and relationships in a place and how they are manifest through evolutionary and institutional factors to produce regional growth and development (Vázquez-Barquero, 2010; OECD, 2010a; Taylor and Plummer, 2011; Stimson, Stough and Nijkamp, 2011; McCann and Ortega-Argilés, 2013).

Therefore, the conditions that have given rise to endogenous development thought and actions in RED have come from disciplines other than economics. The constant invention and re-invention of RED practices have moved beyond endogenous growth theory as proposed by Romer (1986, 1990), and the rather narrow confines of a neo-classical framework for growth such as that proposed by Solow (1956, 1994, 2000), to a

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<sup>30</sup> Primarily an economic theory focused on the endogenous nature of innovation in firms and clusters of firms

new interpretation and understanding of regional growth and development. Stimson and Stough put it this way:

Over the past two decades or so the emphasis in regional economic development theory shifted from exogenous to endogenous factors. Traditional regional economic development approaches were erected on neoclassical economic growth theory, based largely on the Solow growth model (1956, 2000). New approaches while recognising that development is framed by exogenous factors recognises a much more significant role for endogenous forces. In this context a suite of models and arguments that broadly convey the new growth theory are directed towards endogenous factors and processes (see for example Johansson, Karlsson and Stough, 2001). Those factors are seen as fundamental drivers of regional economic development arising from the resource endowments and knowledge base of a region. Endogenous factors include entrepreneurship, innovation, the adoption of new technologies, leadership, institutional capacity and capability, and learning. (Stimson and Stough in Rowe (ed.) 2009, p.169).

A neoclassical view of economic growth would contend that markets tend towards equilibrium. For example, the unencumbered operation of currency exchange across national borders would see, all things being equal, regional convergence, settled and realistic exchange rates, and the true value of currencies and regional exports. Self-equilibrating markets would settle at the true market rate for currencies (price for currencies).<sup>31</sup> Therefore, investment will flow to those economies where labour and capital costs are low (the cost of production is low) aiding in the development of less developed regions. In a neo-classical economic world, those cost differentials should eventually equalise, as economies develop, providing diminishing returns on investment. If investment provides diminishing returns, then new markets will be created as the result of exogenous factors and firms can adopt, internalise and take

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<sup>31</sup> These assumptions of course depend on buyers having all the information about the value of said product, that there is homogeneity in the cost of production (factors are similar in the production process), that the products are homogenous in their attributes, that sellers act only as sellers and do not tamper with the availability of products (for example; flood markets to drive down the price and get rid of competition, withhold production to create demand or purchase their own products to drive up demand), that products are a true representation of the “costs” of production and are not given a value as a result of a price (it is expensive therefore it must be good), that there are no monopolies or oligopolies operating to control supply and demand and so on. In other words no asymmetries of information.

advantage of new technology. Most of the factors of production in the neoclassical view are tangible and measurable lending themselves to econometric models of growth.

New growth theory (NGT) proposes that economic growth is more dependent on internal production processes (endogenous factors) than simply exogenous factors like available natural resources, capital, machinery, labour or new technology. It places more emphasis on entrepreneurship and innovation, and on advances in technology and knowledge; including both tacit knowledge (knowledge gained by workers through their experience of productive processes) and new knowledge (research and development) leading to increased productivity. Thus, an increase in human capital becomes critical to increasing innovation, which in turn can increase productivity.

Endogenous Growth Theory (EGT) proposes that many of the processes that cause growth are 'endogenous' to the local productive system or firm. These include factors that neo-classical theory largely discounts, or has little emphasis on, such as increases in human capital, skills, technology and innovation advances at the firm level. EGT also proposes that there can be increasing returns to scale from capital investment in productive systems (through learning, management and efficiency gains, not just capital equipment) and human capital (investment in skills and knowledge). EGT also includes innovation, entrepreneurship, firm dynamics and human capital as endogenous processes, unlike neoclassical theories that view innovation as an exogenous process. Both NGT and EGT focus on productive systems.

Endogenous *development* theory (EDT), building on NGT and EGT, tries to attend to other dynamics associated with path-dependency, institutional and evolutionary economics such as institutions, networks and milieu effects (geographic and place



effects), social capital, leadership, learning and creativity. These *soft* or *intangible* factors provide the context for RED. Thus, economic development is the result of forces not explicitly included in the production function (McCann, 2011). EDT, therefore, is attempting to synthesise economic constructs with geographic factors that are difficult to define in any normative analysis. What EDT lacks is an empirical basis that allows for the integration of these soft factors to inform regional science and RED practice.

A synthesis of these concepts and theories requires different disciplines to uncover the various dynamics of RED ranging on a continuum of positivist to constructionist, with different forms of evidence and different bases for theoretical construction (Hertz, 2009 in Stimson, Stough and Nijkamp, 2011, p.8). Most often the EDT factors under observation are analysed in a reductionist [economistic] form or with inadequate definitions or theoretical constructs. For example, Taylor and Plummer (2011) building on a study in vocational and educational training in regional development, discuss the ‘stylized facts’ of regional science theories that form the basis of much of the endogenous growth literature contrasted with the ‘contingency’ of new regionalism with mainly qualitative evidence gathered through fine-grained case studies.

Taylor and Plummer proposed that the way forward is to ‘blend the economism of ‘endogenous [growth] theory’, and its extensive research strategy, with the social constructionism of ‘new regionalism’ and its ‘intensive’ research strategy.’ (Taylor and Plummer, 2011 in Stimson, Stough and Nijkamp, p.41). This is because:

...both endogenous regional theory and geography’s ‘new regionalism’ are caricatures of functioning regional economies, both of which posit processes that are necessary to developing an understanding of economic change at the regional scale, but neither of which offers sufficient explanation on its own’ (ibid).

Essentially then an endogenous regional economic development approach is one that moves beyond the reductionism and ‘stylised’ facts of endogenous growth theory to a wider understanding of the conditions and contexts that give rise to RED (Vázquez-Barquero, 2010). An endogenous RED approach, therefore, has the potential to provide a complete picture of the factors and conditions that give rise to regional economic development. Where, for example, place-based social, human and cultural capital are considered, related benefits may accrue such as reducing inequality and improving the long-term health and functioning of the regional economy and actors within it. Where the role of soft factors like leadership, innovation, creativity, knowledge and learning can be better understood, regions have more factors that they can influence, unlike many exogenous factors, or decisions made elsewhere, for example through national or international policies (McCann and Ortega-Argilés, 2013; OECD, 2013). An evidential base, therefore, is required to unlock the critical factors that contribute to RED that go beyond regional science and economic models. It requires a pragmatic mix of methodologies and methods, and a synthesis of evidence from varying disciplines.

## ***Summary***

This chapter has provided a synthesis of economic and endogenous development literature to arrive at an interpretation of endogenous regional economic development. Chapters 2 and 3 together provide a basis for understanding the dynamics of governance and RED in a city-region. New regionalism with its focus on place-based factors and governance for economic development, and endogenous RED with its strength in blending endogenous factors with economic constructs to understand the dynamics of regional economies. What follows in Chapter 4 is the research design that is used to explore the MAP case study.

# RESEARCH DESIGN

## Chapter 4. Research Design

### *Overview and Introduction*

How does ‘evidence’ speak to ‘power’? What do you get if you cross ‘research’ with ‘realpolitik’? Where lies the ground between the ‘ivory tower’ and ‘corridors of power’? What hope is there for the nuptials between ‘knowing’ and ‘doing’?” (Pawson, 2006a, p.1).

From the literature review, it is obvious that economic models for understanding the dynamics of RED do not provide a complete picture. This research takes a pragmatic approach to delving into the dynamics of a project that addresses both governance and economic development in a city region. The chapter starts with an introduction that reviews some of the criticism of MAP regarding the amorphous nature of the project and the lack of an evaluative framework. The chapter then outlines the philosophical approach, methodologies, methods, the analysis and limitations of the research design.

Wetzstein and Le Heron (2010) in their paper ‘Regional economic policy ‘in-the-making’: imaginaries, political projects and institutions for Auckland's economic transformation’ contended that knowledge production for sub-national economic governance is ‘coconstitutive, contradictory, occurs at multiple geographical scales, and is mediated and remediated by place-specific and time-specific institutional actors’ (p. 1902). They also used the term ‘political projects’<sup>32</sup> to describe the policy ‘in-the-making’ processes that have underpinned a number of ‘neo-liberal’ regional projects, including MAP. They concluded that after a decade of intense institutional experimentation in Auckland, altered private investment behaviours could not yet be

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<sup>32</sup> the notion that projects are driven by political imperative or expediency

detected<sup>33</sup> and... ‘Alternatively, one could interpret today’s policy-making as largely self-feeding governance work with no direct economic effects’ (Wetzstein and Le Heron, 2010, p. 1919). MAP, therefore, was driven, in their view, by political agendas or at the very least political expediency. They suggest that drawing a causal relationship or inference between governance and institutional changes in Auckland and ‘private investment behaviours’ and ‘direct economic effects’ is fraught with empirical inconsistencies.

MAP, however, had an impact and possibly typifies city-regional development projects that start with a number of assumptions about the nature of the problem and the various organisational changes and remedies that should be employed. Cause and effect in a hotly contested political project are often difficult to prove and seldom robust, and the time and resource needed to assemble such evidence are seldom incorporated into a project of this nature. MAP represented an example of a new regionalist project with many assumptions underlying subsequent processes, policies and actions acceptable at the time. It contributed, and was the precursor, to national policy, and regional governance and institutional changes. The project evolved to where it had pre-eminence in the RED policy and practice in Auckland up to the local government reforms in 2010. Thus, my research questions related more to understanding the factors that contributed to change and whether it is possible to distill those factors to add to the body of knowledge relating to economic development in city-regions. The context surrounding, and the need for, a profound change like this is instructive and highlights the need for evaluative frameworks that can provide a realistic examination of the intended (and unintended) effects of RED projects. The time, energy and resources applied to projects like MAP should compel us to evaluate and learn from them.

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<sup>33</sup> see also Wetzstein, 2007b

Wetzstein and Le Heron (2010) used a post-structural political economy analysis to conclude that there were self-reinforcing policy-making processes that adhered to a neo-liberal agenda. My interest is not so much in the political science of how policy is determined through power, rhetoric and discourse. It is more about learning from the process and outcomes of a high-level project such as MAP. Therefore, this research has sought to understand the impacts of the policies, processes and mechanisms employed and actions taken during MAP. MAP had pragmatic underpinnings in that it was designed to produce an 'action plan' and 'implement' the Auckland Regional Economic Development Strategy (AREDS). It also had a number of stakeholders and components, explicit rationales and implicit assumptions about intended outcomes. To investigate the impact and outcomes of MAP, the methodology and methods employed needed to be open to revelatory information as the boundaries were amorphous. This put an onus on participants to make assessments about the linkages between events, and cause and effect. By using a single case-study depth can be provided to understand not only the process and outcomes but their relevance to literature.

Assessing projects like MAP against outcomes like 'private investment behaviour' or 'regional GDP' are empirically questionable and have many co-causal, confounding or contingent factors. The intended outcomes of the project, therefore, were examined by both revealing stakeholder intentions and expectations as well as the rationale and objectives. Therefore, an understanding of intended outcomes, explicit and implicit, provided the basis for analysis, rather than an arbitrary post hoc correlation with economic measures. However, there needs to be public accountability when projects require large investments in public and private sector time and money and promote significant institutional change. The constant renewal of public sector visions,

strategies, policies and plans without evaluation, regardless of the complexity, is remiss and wasteful. These factors created a tension in the research where a robust analytical framework had to be open to gathering new information and gaining understanding during the evaluation.

### ***Philosophical Approach: Pragmatism and Systems Thinking.***

#### **Pragmatism**

A pragmatic perspective draws on employing “what works” to achieve an end goal, employing diverse approaches to achieving that goal. Pragmatism gives primacy to the importance of the research problem or research questions before deciding on a research methodology or method. A researcher employing a pragmatic approach may also, therefore, value both objective and subjective knowledge in exploring phenomena and gaining understanding (Morgan, 2007 cited in Creswell et al. 2007, p. 4).

Pragmatism starts from a point of observation of the real world seeking to induce theory from that observation but also seeking to improve practice. A pragmatist paradigm, therefore, places greater emphasis on the research questions than on the methods, preferring to let the research problems dictate the methods (Creswell and Plano Clark, 2007). Consequently, the balance between qualitative and quantitative methods in the research design should be fit-for-purpose (Creswell et al., 2011). Thus, my research questions demanded an investigation into the design, implementation and outcomes of the project, and the factors that contributed to change. They also required insight from those involved in, and associated with, the project as to how and why it had an impact, what those impacts were, what might be learned from MAP for the future in other jurisdictions and as a contribution to theory. Those questions therefore, were:

- i. Is it possible to design an intervention to act as a catalyst for a step-change in the economic development of a city-region?
- ii. What roles do governance, institutions, partnerships and leaders play in achieving a step-change in the economic development of a city-region?
- iii. What factors influence a step-change and create long-run impacts in the economic development of a city-region?

As ‘political projects’ evolve and re-constitute over time, the question must also be asked whether there is a consistent or developed logic as to why certain policies and interventions are chosen or disregarded. Pawson (2006b) explained that high-level public interventions are examples of open systems within open systems where edges and boundaries are blurred, contextual and constantly changing, making it extremely difficult to view them as closed bounded programmes able to be analysed through their distinctive component parts. Pawson proposed a ‘realistic synthesis’ of information in which the primary aim of the research is ‘explanation building’. Thus, the primary purpose is to ‘...articulate underlying programme theories and then to interrogate the existing evidence to find out whether and where these theories are pertinent and productive. Primary research can be examined for its contribution to the developing theory.’ (Pawson 2006a, p.74). In this case, MAP is judged against its contribution to new regionalist and endogenous RED theories, and the underlying programme theory is substituted by the rationale, aims and objectives of the project.

Larry Sullivan (2009, p. 398) explained pragmatism in this way: ‘The pragmatic maxim states that the meaning, or instrumental or provisional truth, of a concept, expression, or practice is determined by the experiences or consequences following the firm belief in, or use of, the concept or practice’. This maxim was useful in the study of MAP, where

the nature of the problem largely dictated the methods employed, and where meaning and learning could be gained through stakeholders following a ‘firm belief in or use of’ concepts and practices, the expression of which could be seen in the components, policies adopted, and institutions created during MAP.

Sullivan (2009) outlined the key principles of pragmatism as:

- a) The search for a middle ground on dualisms and other polarised philosophical disputes;
- b) The rejection of dichotomous (either/or) thinking and related attempts to force all considerations of knowledge into deductive logical systems;
- c) Viewing knowledge as originating in the interaction of person/organism and environment;
- d) Viewing knowledge as individually/socially constructed and simultaneously resulting from empirical discovery;
- e) Viewing theories instrumentally (i.e., not as true or false but as more or less instrumentally useful for predicting, explaining, and influencing);
- f) Taking the ontological position of pluralism (i.e., that multiple perspectives and theories about complex phenomena can be “true”);
- g) Taking the epistemological position that there are multiple routes to knowledge and that researchers make “warranted assertions” rather than claims of unvarying, eternal truths;
- h) Viewing inquiry as ongoing and operating within each individual as well as in science as we search for solutions to the problems we face;
- i) Incorporating values directly into inquiry and endorsing equality, freedom, and democracy;
- j) Thoroughly accepting the doctrine of fallibilism of research and knowledge; and



k) Ultimately viewing “truth” as what is obtained only at the end of history.

Pragmatism takes other philosophies seriously (e.g., Anglo-American and Continental philosophy) but tries to identify what is true or useful in each and brings the best parts together for common causes and to solve social problems (p. 398).

The pragmatic approach of increasing knowledge, viewing theories for their instrumentality, and attempting to build knowledge and decrease uncertainty rather than searching for absolute truth[s], is thus appropriate for researching complex, interrelated and emergent factors within open systems such as public interventions like MAP.

### **Systems thinking.**

Systems thinking allows the researcher to gain a greater understanding of complex [inter-]relationships, systems, organisations, programmes and projects that are embedded in wider contexts (Patton, 1990). Systems-thinking is a holistic approach that opens researchers up to finding and making sense of “real world complexities” by understanding connections, networks and relationships and without being tied to linear or reductionist reasoning about causal relationships (ibid). In this way, a programme or project can be viewed in its entirety, at a particular time, and within a particular context. It also recognises that a change in one part of the system will have ripple effects in other parts and that context can affect the whole or parts of the system. This is important when trying to disentangle and make sense of complex interrelated social and economic issues and the public interventions designed to address them. Judgements often need to be made with imperfect information about the outcome of a particular programme. Thus “objective” data may be inadequate in explaining the systemic effects of a programme or project. Commonly, in the absence of tight programmatic controls and evaluative criteria, assumptions are made that a programme or project will result in certain

outcomes. On the other hand trying to prove cause and effect can lead to the reductionist use of indicators or proxies. In large scale public interventions this leads to uncertainty where proxies or narrow definitions undermine the true nature of the programme or project.

Programme evaluation in the public sector and the need for “objective” endorsement of a programme or project is often politically motivated. Projects that have high-level political buy-in following popular policy prescriptions and lacking a robust programme logic, present a challenge for evaluation. Many programmes or projects that operate at a regional level are by their very nature complex with a number of components, iterations, stakeholders and inconsistencies. To unravel these complexities and provide a systemic assessment of overall impact requires insider knowledge as well as objective analysis, and it requires a middle-range theory between grand theories of social change and tightly bound programmatic interventions. In RED, there is a need to delve deeper, to uncover knowledge and meaningful data, to make ‘warranted assertions’ about the effect of interventions using middle-range theories. Systems-thinking opens a researcher up to capturing knowledge, unintended effects and subtleties that may be important but missed through narrow quantitative, predetermined or misaligned evaluative criteria.

Synthetic thinking is the complement of analytical thinking (Gharajedaghi and Ackoff, 1985 in Paton, 1990, p.79). In synthetic thinking explaining and understanding the “whole” is just as important as analysing the parts. An analytical approach to understanding MAP, for example, would be to analyse the parts and infer from understanding the parts how the whole has worked. A synthetic approach asks how all the parts in MAP have worked together, or not, to form a whole system, and why the whole system [the project] worked, or not, and what impact it had. In synthetic thinking,

the whole can be disaggregated to explain the parts but '[I]t reveals function rather than structure: it reveals why a system works the way it does, but not how it does so'. Systems-thinking, therefore, incorporates both analytical and synthetic thinking (ibid).

### **Complementarity.**

Systems-thinking provides a basis for viewing interconnections and gaining a greater understanding of why interventions do or do not work within a system and within larger [systems] contexts. It provides an opportunity to combine analytic and synthetic thinking. It is exploratory and explanatory. Pragmatism offers a philosophy of observation of practice to inform theory and practice. The two combined provided the opportunity for a greater understanding of MAP through mixed methods in assembling evidence, revealing stakeholder intentions and expectations, the context surrounding it, its relationship to other strategies, policies and programmes and its relevance and contribution to governance and economic development in a city-region.

### ***Mixed Methodology: Case Study and Evaluation***

A case study is a research approach that is used to generate an in-depth, multi-faceted understanding of a complex issue in its real-life context (Crowe et al., 2011, p.1). While an assessment of the impact of MAP is useful, observations of, and learning from, the process and mechanisms employed during MAP are also useful. An in-depth case study investigated what worked, what didn't, why and under what circumstances. As the context changed actors changed and boundaries changed; a positivist evaluation (such as a cost-benefit evaluation) would be in danger of missing systemic interpretations and in danger of missing or misinterpreting the [assumed] logic and intended outcomes of the project as a whole. Rather, the result here was a convergence upon the truth by

building knowledge and assembling evidence through mixed methods (Johnson, R. B., Onwuegbuzie, A. J., & Turner, L. A. 2007).

### **Single-Case Embedded Case Study.**

In analysing the impact of an RED project Taylor and Plummer (2011, p. 47) argued for a ‘mixed-method research design that is grounded in critically engaged pluralism.’ They also argued that there is a need to bring economist’s (positivist) and geographers (social constructionist) ways of knowing together. New regionalism, according to Taylor and Plummer, ‘builds its empirical and explanatory power through qualitative description, close dialogue and fine-grained case studies.’ (ibid, P. 40). New regionalism lends itself to a case study approach where regional economies are examined (see for example Genoff and Sheafer 2003; OECD, 2009, 2010; Martin 2011; Robson, 2011; Vanclay, 2011).

The ‘single-case’ case study approach is used to gain a more in-depth understanding of a particular phenomenon, at a particular time, in a particular context. It is particularly useful when examining the phenomenon within its real-life context, and when the boundaries between the phenomenon and context are not clearly evident (Yin, R.K., 2003, p. 13). This starts from a belief that the context of a project is ‘highly pertinent’ to the study (ibid). MAP was highly political, had many iterations, and was a product of the political context of the time. It also had many elements and inputs that broadly followed dominant theoretical and conceptual paradigms in new regionalism and endogenous RED.

Yin (2003) cited five reasons for using a single-case design:

- i. That the case study represents a *critical case* in testing a well-formulated theory

- ii. When the case is extreme or unique
- iii. When it is representative of other cases
- iv. When it is *revelatory* in that, a case study offers the opportunity to observe new phenomena
- v. When it offers *learning* from longitudinal effects. (Yin, 2003, pp. 40-42, *emphasis added*).

Three primary reasons and one ancillary reason support the use of this method in this research. First MAP is a *critical case* in testing contemporary paradigms in RED and governance in city-regions. Second MAP was *revelatory* in a number of ways and third, there was an opportunity to *learn* from MAP and those involved, with the benefit of hindsight. An ancillary reason is that MAP lasted officially, in its various iterations, for five years finishing in 2010 with the local government reforms in Auckland. It, therefore, provided perspective on long-run effects of MAP.

One of the core criticisms of single case studies is that consistency across multiple cases cannot be assembled to support the validity of findings. Therefore internal consistency and validity using triangulation are important. Woodside (2010) proposed that triangulation for a single case study includes:

- i. Direct observation by the researcher within the environments of the case
- ii. Probing by asking case participants for explanations and interpretations of operational data
- iii. Analyses of written documents and natural sites occurring in case environments (p.16).

All of these methods were employed in this case study.

It was not possible within the scope of this research to explore and evaluate all of the parts of MAP. It was possible to assess at a higher (systemic) level. This led to an intermediate or middle-ground assessment where the project as a whole was assessed rather than delving down into process and output evaluations common in tightly prescribed interventions further down the hierarchy. A middle ground investigation is difficult as data is difficult to assemble, analyse and relate directly to impact; and yet the answers to simple questions like: did it work, what can we learn and did it have an impact - should be explored.

### **Realistic Impact Evaluation.**

Impact evaluation is a wide and complex field. Owens (2006, p.255) wrote that impact evaluations are primarily concerned with establishing what works and why, and in examining mature programmes to determine outcomes. Many evaluation methods are designed for the purpose of estimating the efficacy and cost-effectiveness of public interventions to inform future funding decisions. The evaluation of RED interventions, for example, use methods like cost-benefit, economic impact or return on investment to establish, confirm or deny support for public interventions. There is also the issue of evaluative criteria not being established at the beginning of large complex projects, programmes or interventions and evaluations in these cases are seldom done retrospectively.

Intangible factors like leadership, social capital and innovation, seen as increasingly important in RED theory and practice, are also not easily defined or measured and require a social constructionist approach to uncover. Regardless of these issues, RED evaluations should also elicit learning to inform policy and practice in an iterative way.

RIE comes from a branch of philosophy called realism. Realism has had similar paradigmatic debates as many other philosophies between social constructionist and positivist approaches as Dalkin et al (2015) acknowledged there continues to be ‘a cleft between critical realism and scientific realism.’ Pawson and Tilley (2009, cited in Pawson and Manzano-Santaella, 2012, p. 177) stated ‘[I]t has always been stressed that realism is a general research strategy rather than a strict technical procedure’ and that ‘innovation in realist research design will be required to tackle a widening array of policies and programmes’ (Pawson, 2006, cited in Pawson and Manzano-Santaella, 2012, p. 177). Nonetheless, the vast majority of literature on the use of RIE has tended toward the scientific tradition.

The Overseas Development Institute defines impact evaluation as ‘evaluations that examine the direct and indirect contribution of an intervention to changes in people’s lives, especially longer-term changes’ (Westhorp, 2014, p.3). Westhorp went on to say that ‘“outcome” includes change for people and their lives... for organisations, workers, governments and so on.’ This realist interpretation of outcome is used for consistency in this research.

Many evaluations are of well-defined interventions. Many public interventions are open systems with evolving parameters. However, even well-defined public health interventions, for example, can be subject to problems with internal consistency, changing practices over time, differences in interpretations of implementation at different sites and differences in contextual elements that confound and affect outcomes (Jagosh et al., 2013). This complexity, however, should not be a deterrent to employing well-structured analytical frameworks designed to untangle complex or interrelated phenomena to inform policy and practice. The following four evaluation approaches;

objectives-based, process-outcome, needs-based and goal-free, were viewed as suboptimal in the knowledge construction needed for this research.

Objectives-based impact evaluations attempt to iron out deficiencies of large and complex programmes by concentrating on the internal consistency of the programme; endeavouring to establish causal inferences between objectives and outcomes and assessing the success of a programme regarding how it met its objectives. This approach assumes that the objectives are appropriate and that the resultant programme will be consistent, valid and reliable. High level multifaceted public interventions pose real problems in providing an evidential base for linking high-level objectives with activities, outputs and outcomes. This method, while attempting to capture intangible factors and guide interventions by keeping them consistent with the programme's objectives, can easily conflate objectives across quite different contexts both within and external to the intervention. It can also miss evolutionary adaptations and holistic interpretations as it is evaluating success against mostly static objectives regardless of whether, it is the right thing to do, having the desired effect, or appropriate for the intended beneficiaries of the programme. Objectives-based evaluations are also successionist in their process and causal inferences relying on a consistent intervention logic to underpin the objectives. If the intervention logic is substandard or missing, and the methods or activities employed are not consistent with the intervention logic, then there is little reason to expect that there is internal consistency and little reason to expect that outcomes will be consistent with objectives. To gain internal consistency in objectives-based evaluations a researcher needs to be reductionist in the definition of objectives to elicit achievable, and possibly favourable, measurement of performance. As a result, this type of evaluation is highly sensitive to the quality, definition and interpretation of objectives and highly sensitive to the level of internal consistency



(Checkland and Poulter, 2010). MAP mostly failed on these accounts, notwithstanding the complexities in measuring performance against high-level objectives (Checkland and Poulter, 2010; Coryn et al., 2011; Creswell et al., 2011). Despite empirical pitfalls, however, it was revealing to assess objectives and strategies against outcomes in an RIE framework.

Process-outcome studies put emphasis in the belief that the implementation (process) of a programme has a large part to play in the outcome/s of the intervention. Therefore, if a programme has been thought through well (has a sound programme logic), has internal consistency and is implemented well, outcomes are likely to be achieved. As this kind of evaluation puts a lot of store on the correct implementation of an intervention, procedural assessment is important, and measurement is important, particularly in the process where the implementation can be thought of as an independent variable and the outcome/s as dependent variable/s. These kinds of evaluations work for interventions with well-defined and replicable programme logic; they are not easily used when the logic is not clear, the outcomes are unknown, and the interventions are iterative, loosely associated and diffuse - all features of MAP. Process–Outcome evaluations are also more appropriate when there are process indicators and the outputs/outcomes are more readily definable.

Needs-based evaluations, as opposed to objectives-based, reflect the needs of participants or clients and are most often used in health or social interventions where the benefactors (or clients) are well defined and where their individual needs are important or integral to the process and outcomes of the programme. Objectives in this sense are centred on and built around the needs of the client. It then becomes a trade-off between what is best and what is affordable. This approach could not work in a high-level public

intervention where ‘the client’ is not readily identifiable, and the intended beneficiary is the public at large.

Goal-free evaluations are a reaction to objectives-based evaluations where adhering to a set of predetermined objectives misses or misinterprets the context of the intervention and the dynamic nature of interventions over time. Goal-free evaluations, therefore, concentrate on programme effects and tend to sidestep any pre-stated objectives looking to observe and build theories from “actual” observable outcomes. This approach would certainly challenge a risk-averse public sector or politician at the beginning of a project and would probably not be publically acceptable where public money is at stake.

My research need was to have an analytical framework that accepted the ‘fallibilism’ of research and knowledge production but nonetheless could make ‘warranted assertions’ of truth (Sullivan, 2009). RIE, untested in RED and where there was no developed programme theory and no “programme” run over a number of sights, was selected for its generative (theory building), knowledge constructing (learning) and contingent (strong regard for context) approach. Building theory, in the sense that the evaluation could explore, test, refine, interpret or build a programme theory, was questionable given it was a single-case study, conducted by one person, and beyond the scope of this thesis. However, the assemblage of evidence and an overall systemic impact assessment led to a number of testable mid-range theories outlined in the conclusions to the thesis.

Realism attempts to bring together deductive and inductive reasoning and social constructionist and empiricist accounts of scientific explanation (Pawson, 2006a, p.17). It attempts to synthesise evidence from the use of appropriate methods and to ‘provide a rich and adequate understanding of programmes and their effects’ (Henry et al., 1998

cited in Owens, 2006, p.89). Therefore ‘[T]he emergent realism paradigm implies methodological *pragmatism*’ (Owens, 2006, p.89 *emphasis added*).

Pawson and Tilley (1997) in their seminal work on RIE described the realist interpretation of programme efficacy in this way:

The causal power of an initiative lies in its underlying mechanism (M), namely its basic theory about how programme resources will influence the subject’s actions. Whether this mechanism is actually triggered depends on context (C), the characteristics of both the subjects and the programme locality. Programmes, especially over the course of a number of trials, will, therefore, have diverse impacts over a range of effects, a feature known as the outcome pattern (O). (Pawson and Tilley, 1997 cited in Pawson 2006b, p.5)

The central proposition then is that the outcome of an intervention depends on how the underlying causal mechanisms are fired in a specific context (Pederson & Reiper, 2008, p.273). Assumptions are tested through building knowledge from a number of “CMO” explanatory causal loops or CMOc’s (configurations) leading to an exploration of the successes and failures of a programme in an abstract theory-driven model (Pawson, 2006a, p. 76). In this way evaluation moves from a basis of trying to understand what works and why, to one that tries to understand what works, why, in what respects, and under what circumstances.<sup>34</sup> The use of this methodological approach in this context was exploratory and so consistency established over a number of sites or interventions was not possible.

RIE is most closely linked to the fields of crime reduction, and health interventions and in those respects has mainly been used at the level of well-prescribed programmes, with a programme theory and testable hypotheses at the outset and in these respects ‘[E]xperimental or quasi-experimental designs are often advocated for [realist] impact

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<sup>34</sup> These layers were explored with participants through prompts in interview questions (see Appendix 1).

evaluation' (Westhorp 2014, p. 8), not large-scale public reforms (Pederson & Reiper, 2008, p.273).

Nonetheless, RIEs focus on: contextual factors and their interaction with mechanisms, its theory building approach, its generative and contingent, rather than successionist, view of causality, its ability to unravel complexity, being open to diverse outcomes, and its explanatory power, has led Pawson (2006a) to support its usefulness in achieving evidence-based policy development. In these respects the CMO logic, despite its pedigree in theory-driven programmatic and replicable interventions, provided a useful heuristic for analysis. Another consideration with RIE is that it is better used in a prospective or concurrent evaluation rather than in retrospect (a priori rather than a posteriori). However, Westhorp (2014, p.8) suggested that in retrospective analyses stakeholders can be interviewed about context and mechanism, and subgroups can assemble data on outcomes. Once again, however, Westhorp's observations have been made in the context of multiple sites and theory-driven programmes.

Ho (1999), Davis (2005) and Pederson and Reiper (2008) applied and evaluated the realistic evaluation methodology in the evaluation of large-scale complex public programmes. Ho (1999, pp. 423, 424) argued that the evaluation of urban regeneration programmes in Britain largely relied on 'value for money' evaluation that amounted to a stocktake of programme outputs. Thus, the lack of a refined programme theory led to the funding of similar programmes without adequate evidence of whether the programmes had worked or not and without assembling lessons on what to do, and what not to do, in the future. Using a realist approach Ho concluded that RIE was useful in assembling what worked, why and under what circumstances. However, Ho also concluded that evaluating multi-objective and multi-programme initiatives posed some

problems. These included relying on a number of assumptions in assembling the CMO configurations, programmes impacting on one another, the likelihood of a hierarchy of contexts, and a number of agencies implementing programmes providing for different contexts and political influences (p. 434).

Davis (2005, pp. 275-278) used the RIE method to evaluate the 'Best Value Reviews' of local authorities in Britain. He subsequently assessed the method itself to gauge its policy potential. Davis argued that realist evaluation needed to be adapted to address the cumulative impacts on policy and organisational culture that are inherently political in nature. He also concluded that the concept of context can be under-researched and loosely defined when dealing with multi-objective and multi-programme interventions. However, Davis argued that it has the potential to address gaming (political interference) and the 'lock-in' of causal pathways by revealing the context and the *underlying assumptions* that led to programmatic interventions. He concluded that '[T]he prevalence of path dependencies, opaque goals and process outcomes qualify but do not appear to disable the fundamental logical integrity of the CMO approach' (p. 291).

Pederson and Reiper (2008, pp. 273-276) used the case of Electricity Sector Reform in Denmark to ask whether realist evaluation was a 'realistic approach' to evaluating complex reforms. They, like Davis, argued that large-scale public reforms have a 'higher degree of internal complexity and are surrounded by various policy coalitions.' They also argued that these types of interventions needed to be described regarding the problem they are attempting to solve and the [political, social and economic] context that has given rise to the problem. Complex multi-objective and multi-programme public interventions, therefore, demand an explanation of the interventions included in

the reform and why they are included (the boundaries of the intervention). They concluded that the CMO framework is applicable not just to interventions at an individual programme level, but also to large-scale public sector reforms characterised by high technical complexity, strong policy coalitions and multi-level interventions.

Jagosh et al. (2012) used a realist review to evaluate participatory research (PR)<sup>35</sup> in health research and practice across 7,167 abstracts and 591 full-text papers. They used CMO configurations as one way to analyse and synthesise the data. In their conclusions, they said that they ‘used a realist approach to embrace the heterogeneity and complexity of PR literature’ (p. 312). They described this approach as one of three middle-range theories employed in their analysis so that ‘it can be tested with the observable data and is not abstract to the point of addressing larger social or cultural forces (i.e., grand theories)’ (p. 316). Realist evaluation, therefore, has a strong pedigree, albeit in more definable programmatic interventions, of unravelling complexity, exploring systems and looking at how particular mechanisms interact with certain contexts to generate outcomes.

MAP was not a central government reform with a series of replicable programmatic interventions or a meta-analysis; it was political, amorphous, and iterative. It took advantage of central government policy but was a mix of regional actors working with government agencies and politicians. It thus presented methodological problems due to the lack of a bounded, replicable, programme logic. Context, on the other hand, was rich and well documented, process and mechanisms had a documented logic to them, and participants were well-informed on MAP processes and outcomes. As Davis (2005, p.

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<sup>35</sup> Defined as the co-construction of research through partnerships between researchers and people affected by/or responsible for action on issues under study. (Jagosh et al., p. 311)

291) put it the logical integrity of a CMO configuration at a high level, without delving to lower tiers (in this case work-streams) which were heterogeneous, seemed plausible.

Julne et al., (1998) questioned RIE coming from a scientific tradition of realism calling for a more common sense or emergent approach. Even though Pawson and Tilley sought to blend two paradigm wars 'depicted as logical empiricism/positivism versus radical constructivism or as quantitative versus qualitative' (p.484) they still tended to the positivist end of interpretation with a focus on theory construction. Thus, Julne et al. went on to say that 'most practising evaluators have neither been frozen at a choice point between these two paradigms nor pushed to the excesses and unreasonable positions inherent therein.' Therefore:

'...it is worth remembering that the CMO framework is not a complete representation of what it is that evaluators really do...Nonetheless, we hope and believe the future of realism in evaluation includes a broader, more comprehensive vision of the field than some readers will take from *Realistic Evaluation*. (ibid p. 485).

Julne et al. (1998) also stated that the open systems view of contemporary realists has layers (systems within systems) and that Pawson and Tilley incorporated this notion of stratified reality in their methodology. Mark et al. (1998) described it as 'not to think of the programme as a 'black box' to be explored, but as analogous to Russian stacking dolls, with another level always available for exploration beyond the level we are looking at' (Mark et al., 1998 cited in Julne et al., 1998, p. 490). These tiers matter in a single-case study in that the closer you get to a detailed bounded understanding of phenomena the easier it is to define and evaluate, and, the further away, or in higher tiers of complexity and social phenomena, the harder it is to generate theory, facts and causation. Therefore an RIE looking at mechanisms (M) operating in contexts (C) to produce outcomes (O) needed to be widened to be part of a 'general pattern-matching process' in which the implications of plausible mechanisms are elaborated so that they

can be meaningfully compared, or matched, with observable patterns or outcomes (Ibid p. 491).

The key difference is that the focus can then be widened to focus on social change through structural mechanisms rather than a focus on changes in reasoning and behaviour at an individual or small group level. This approach pulls the application of RIE towards critical realism rather than scientific realism. Dalkin et al (2015, p.2) using Bhakshar (1978) and Archer (1995) explained it this way:

Investigatory closure is always partial....At any given time, peoples choices are conditioned by pre-existing social structures and organisations...These adaptive choices, over time, go on to mould novel structures and changed institutions...

Most realists would affirm this broad account of the mechanisms of social change, where structures shape actions, which shape structure, which shape actions, and so on.

However differences between these accounts of mechanisms lie in the locus of change. For Bhakshar 'causal mechanisms sit primarily within the structural component of the social world.' For Pawson and Tilley 'mechanisms are identified at the level of human reasoning.' 'Thus mechanisms can have different meanings depending on the scope of the intended explanation. Structural mechanisms come to the fore if the social scientist is attempting to explain large-scale transformation.' (Dalkin et al, 2015, p.2).

Thus, a realistic evaluation of MAP used a 'general analytical framework' looking at how particular mechanisms (social structures) interacted with elements within a wider social, political and economic context to be matched with observable outcomes and social change. First, the analysis was done at a high-level (system) revealing rationale, aims and objectives (the underlying logic) and key components. Second, analysis was conducted at a meso-level (system) where institutions, people, processes and facets that



mediated outcomes were uncovered. Thus, the evaluation did not build a programme theory, test predetermined hypotheses or attempt to detail causal relationships (CMOc's) within defined parameters (that is the job of evaluation lower down the hierarchy where RIE already has a strong pedigree). Instead the RIE framework was used to analyse a single-case embedded case study with amorphous boundaries (an open system) to reveal observable outcomes and social change (a critical realist approach).

The case study was therefore structured to provide:

- i. The political, social and economic contexts that gave rise to the problem (Chapter 5).
- ii. A high-level analysis of MAP in terms of 'the problem/s it was attempting to solve' (Pederson and Reiper, 2008, p. 273), the rationale, aims and objectives (project logic), the mechanisms that caused change, and the intentions and expectations of the stakeholders (what stakeholders really thought the project was about) (chapter 6).
- iii. A meso-level analysis of the institutional patterns, people, processes and facets that influenced outcomes (other mechanisms mediating outcomes at the next layer of complexity) (chapter 7).
- iv. An outcome analysis (outcomes) exploring [long-term] changes to structures, institutions, governance, policies and practices (Chapter 8).

### ***Data Sources.***

Following the philosophical approach of combining pragmatism and systems thinking using different data sources to inform emergent themes is most appropriate. Firstly a literature review has provided a theoretical context to RED. It also provided social, economic, political and policy contexts (Context) for MAP. MAP mechanisms have

been described in a case study utilising documentary analysis, participant research and key informant interviews.

Key informant interviews provided rich data and this guided the analysis. I have added my voice, where appropriate, as the participant researcher, through my contributions to interviews, involvement in the project and the documentary evidence I assembled during the project. These data sources provided the triangulation needed in a single case study. Analysis of key informant interviews was conducted using NVivo content analysis to establish their views on the context, mechanisms and outcomes of MAP and to explore emergent themes. In this way, participant data contributed to RIE and in answering the research questions.

Outcomes (Chapter Eight) were assessed against the rationale and key documents of the project, but also thematically drawn out from interviews, allowing for unintended effects. The RIE method, being open to ‘contingency and generative learning’, became important as the rationale and stakeholders’ assumptions, intentions and expectations for the project differed in some respects. Process-outcome or objectives-based evaluations would have missed these important subtleties, outcomes and learning.

### ***Methods.***

Four methods for collecting data were employed; a literature review, a documentary analysis, participant research, and key informant interviews.

## **Literature Review.**

The literature review provided an analysis of two major theoretical paradigms influencing RED governance, policy and practice and metropolitan governance. This provided a theoretical context to the case study and impact evaluation.

## **Documentary analysis.**

The documentary analysis provided national and regional, social, economic, policy and political contexts for MAP. On one hand it was a historical exercise in re-examining the myriad of documents in my collection related to MAP and, on the other hand, widening the search to include other sources of secondary data that provided context, commentary and analysis. At the time I was involved in MAP, I collected evidence suspecting that it needed to be captured and reviewed later. I had an idea that the project might have an effect, believing that the construction of the triple helix partnership approach was new and relevant to RED innovation and governance. Examples of these sources and those found retrospectively included:

- Relevant publically available policy documents, strategies and meeting minutes
- Journal articles
- Media articles
- Relevant publically available evaluations
- Supplementary reports, briefings and research

Combining this data with insights from key informants informed the case study and evaluation.

## **Participant Researcher.**

As a participant throughout the project, I was privy to insider information, able to reflect, observe and write on the subject before during and after the project. My participant research was drawn from:

- An in-depth understanding of the context leading up to and surrounding MAP
- development of the MAP rationale, aims and objectives
- the assembly of, and input into, the evidence base for the project,
- as a member of MAP governance group and project team,
- member of the International Review Team,
- arranging and managing the review team's engagement with Auckland stakeholders,
- co-author of the Metro Report,
- early engagement on Metro Action Plan work-streams,
- alternate member of AREDF,
- leading author of the Auckland Regional Economic Development Association's (AREDA) submission to the Royal Commission on Auckland's Governance,
- reviewer of the economic development section of the Royal Commission's Report on the Governance of Auckland,
- as a member of the working group within the Auckland Transition Agency charged with designing economic development arrangements for the new Auckland Council,
- as an organiser and contributor to a number of seminars on the governance of Auckland during the Royal Commission, in transition to and post-amalgamation
- Providing public commentary around the governance and economic development changes in Auckland, particularly during the lead up to the election of the first single Mayor for Auckland and the Auckland Council.

These roles enabled me to follow threads of information and aided the search retrospectively. Alongside the literature review, relevant documents, records and interviews, I made notes that reflected my understanding of the project at various stages that were never published. These reflected my understanding at the time, for example, of the assumptions and expectations of partners or stakeholders. This data, however, has only been used in conjunction with other data to provide context and to triangulate in my analysis and conclusions. Likewise, given my involvement, participant's answers were taken as factual unless there was evidence elsewhere to contradict the information.

### **Key Informant Interviews.**

The literature review, documentary analysis and research design formed the basis for the semi-structured interviews. As a result probes were used to gain valuable insight as participants progressed through the interview. The pilot interview was found to be eliciting appropriately informed responses for the thesis and a response time of approximately one hour. There did not seem to be ambiguity in the questions with participants understanding the intent of the questions. The ordering of the questions provoked increased recall and depth as the interview progressed.

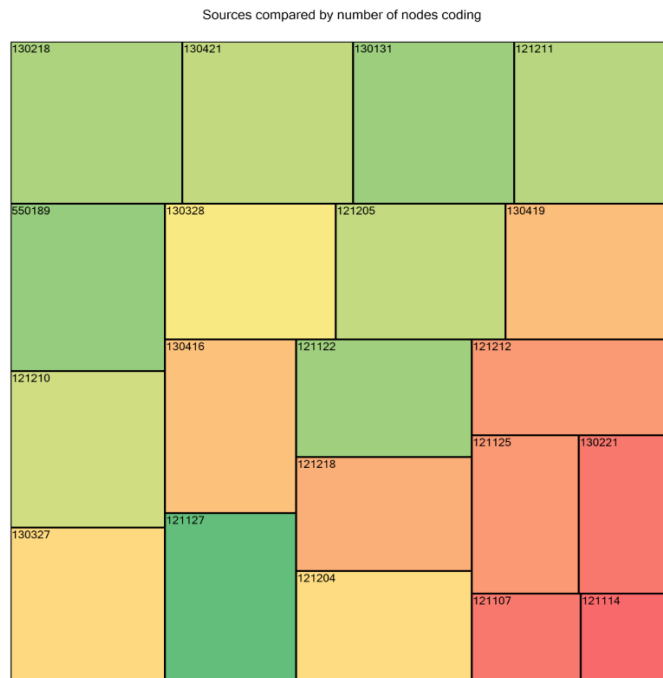
Purposive sampling was used to identify leaders and influencers from key stakeholder groups involved in MAP over the life of the project. My rationale for choosing stakeholder group representatives centred on the key partners involved in the formation of MAP, key institutions involved in and around the project as it progressed, various work-streams and related areas of work. It was also important to gather information on the perceived impact and outcomes of the project. Therefore, participants who were not only involved in the project but who had high-level, political or otherwise, involvement in related processes were chosen. As can be seen, in Figures 2 and 3 the interview

cohort had a reasonable spread of engagement across nodes<sup>36</sup> and references<sup>37</sup> supporting the assertion that the sample was knowledgeable and representative. It also demonstrated both breadth and depth of knowledge in the subject matter.

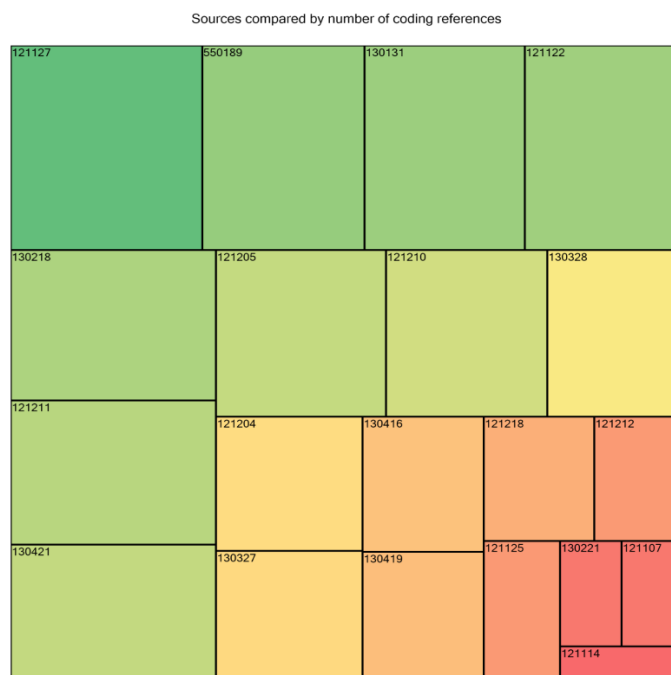
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<sup>36</sup> The amount of data provided by participants into nodes. A larger box denotes more information across nodes i.e. breadth of data

<sup>37</sup> The amount of references used in the content analysis by participant i.e. depth of data.



**Figure 2 Sources by Number of Nodes**



**Figure 3 Sources by Number of References**

I remained open to a snowball effect but found in the main I followed leads that came out of the interview process such as exploring the ‘four seasons’ approach to facilitation used during the symposium on Auckland. After one pilot interview and twenty formal

interviews, I began to feel that I was not learning any more from interviews that was within scope. There was a variety of roles and worldviews brought to bear on the research. The main worldviews came from central and local government, EDAs, academia and business. Participants had vast experience demonstrated by the various roles they performed during the life of the project (see Table 3 below). These were not mutually exclusive as respondents performed a number of roles for the duration of the project, but a declaration of these is useful to gauge the veracity and appropriateness of the primary data. With these roles explicit the reader can reasonably accept that respondents were qualified to participate in this research.



**Table 3 Participant Roles and Worldviews**

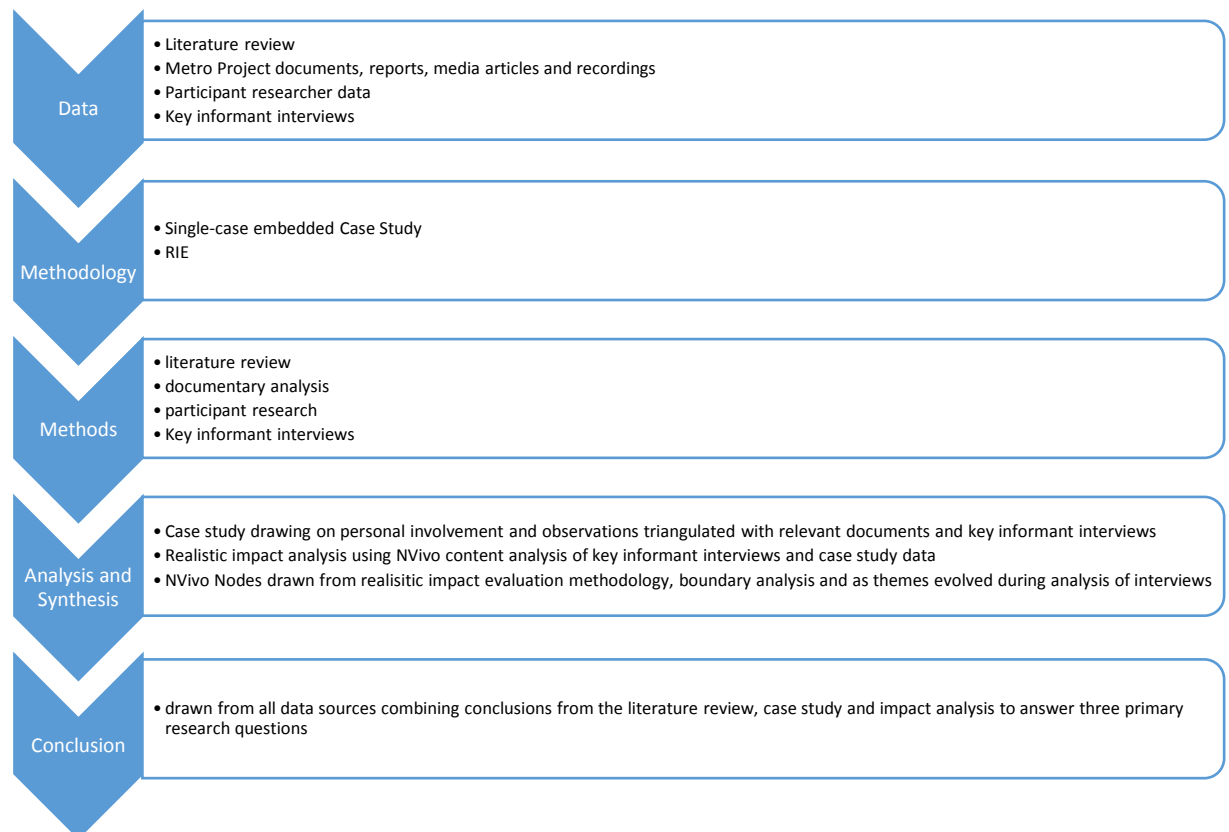
<b>Role</b>	<b>Worldview</b>
CEO MED	Central government
CEO NZTA	Central government
Chair AREDA	Regional association of local EDAs
EDA Member of AREDF	Metro Action Plan governance
Manager Economic Development ARC	Regional Government
Leader/facilitator AREDS	Regional Government
Metro Project Governance	Regional Government
Metro project working group	Regional Government
GUEDO	Central government
Metro Project Governance	Central government
Mayors	Local government
Executive Director GUEDO	Central government
Managing Director McConnell Group	Business
CEO Hawkins Group	Business
Director Committee for Auckland	Business
Chair of Business School Advisory Board, University of Auckland	Academic
Director Mighty River Power	Business
CEO ARC	Regional Government
CEO Enterprise Waitakere	Local EDA
Chair AREDA	Regional association of local EDAs
Member AREDF	Regional Government
CEO Manukau City Council	Local government
Director Regional Economic Development NZTE	Central government
Metro Governance Team	Central government
NZTE Funder	Central government
Manager Economic Development Unit Auckland City Council	Local government
Leader/facilitator AREDS	Local government
Metro project team	Local government
Chair Committee for Auckland	Business
Metro Project Partner	Business
CEO Auckland Plus	Regional EDA
Chair AREDFonal Council	Regional Government
Metro Project Partner	Regional Government
CEO Auckland Chamber of Commerce	Business
Councillor ARC	Regional Government, Business
Chair Auckland Plus	Regional EDA
CEO Committee For Auckland	Business
Metro Project Partner	Business
Chairman Deloitte (NZ)	Business
Global Managing Partner, Climate Change and Sustainability, Deloitte (Worldwide)	Business
Deputy Chair Enterprising Manukau	Local EDA
Deputy Director/Director Institute of Public Policy, Auckland University of Technology	Academic
Alternate member AREDF	Academic / Education
Metro Governance Team	Academic
Metro Project Partner	Academic
AREDA Secretary	Regional association of local EDAs

The interview sheet (Appendix 1.) was constructed to answer my three research questions but also structured in a way to explore context, mechanism and outcome, particularly the mechanisms and outcomes of the project, with probes into why, under what circumstances, and in what respects things happened. It also asked summative questions about the overall impact of the project. The literature review and documentary analysis provided data for the context for MAP with participants providing added insight.

Twenty key informant interviews and one pilot interview were recorded from start to finish by me and conducted at sites chosen by participants at a time convenient to them. Once an interview time had been arranged, Participant Interview request letters (Appendix 11) were sent out ahead of the interview, with a Consent Form (Appendix 12) and Information Sheet (Appendix 13), outlining the title and purpose of the research, ethical standards and ethical approval. I also took copies of all documents with me to interviews to ensure informed consent before the interview started. Recordings were transcribed by a professional transcriber, and raw data was sent back to participants to check for accuracy before the data was analysed. The transcriber also signed a confidentiality form (Appendix 14). Participants have been kept confidential, but not anonymous, as they were acting in a professional capacity. However, there was the chance that information provided could have been inferred to have come from a certain participant. In these cases, I have not used the information or withheld the coded identity so that participants could not be identified by grouping responses. There were reasonable numbers of participants from various stakeholder groups in the small number of these instances so participants could be kept safe. In most cases participants were leaders who were confident in sharing their information and unconcerned about being identified. They were nonetheless kept confidential.

## ***Analysis.***

Raw data was analysed using NVivo content analysis software. Figure 4 below outlines the analysis and synthesis used to reach my conclusions. Care was taken to synthesise data from all sources in my discussions throughout and in reaching my conclusions.



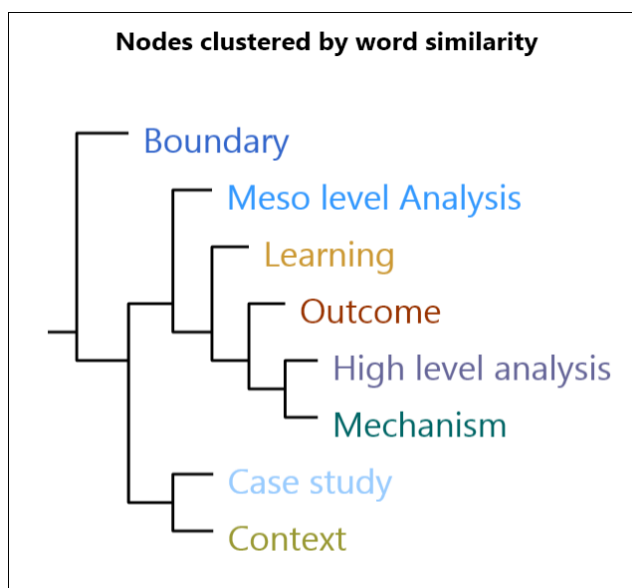
**Figure 4 Data Analysis**

## **NVivo Content Analysis**

NVivo content analysis software was used to create nodes (content themes), sub-nodes and child nodes for primary data. There were eight nodes, 51 sub-nodes and 38 child-nodes. Sub-nodes and child-nodes were collapsed (aggregated upwards) when the analysis demanded, or there was too much similarity with another sub-node or child-node. Nodes were discrete enough not to warrant aggregation. What is also observable is that nodes clustered by word similarity broadly conformed to case study data, impact analysis data and boundary analysis data (figure 5). Primary data heavily supported the

impact analysis mechanism and outcome related nodes, more than context. Generic case study data was clustered with context, supporting the need for further in-depth research on the context for MAP from other sources.

The Boundary Node had six sub-nodes, four of which had three child nodes that corresponded to Ulrich's twelve boundary analysis questions (see Appendix 9). The other two nodes were "roles" where I recorded participant roles during the project and "worldviews", where I recorded data that revealed a worldview



**Figure 5. Nodes clustered by word similarity**

outside of the boundary analysis. The boundary analysis was eventually removed from my analysis (explained further in chapter 9) and as it had discrete data it did not detract from the case study and impact analyses.

### ***Limitations.***

### **One-hour Interviews**

Participants had an intimate knowledge of the project and could make judgements about the context, mechanisms and impact of the project at high and meso levels. Participants varied in their understanding of outcomes further down the hierarchy, for example, outcomes of the various work-streams, which, however, did not limit the analysis of MAP at a high level.

I chose not to send interview questions out ahead of time. Therefore, this may have limited participants' ability to prepare and may have limited their chances to assemble their thoughts and remember key facts due to the passage of time. It also meant participants were less likely to assemble pre-determined answers and provided the opportunity for insights, spontaneity and story-telling that would not have happened with pre-prepared answers. The interview process provided rich primary data. Some participants started the interview process with the qualification that they would not be able to remember much; they all finished the interview with surprise at how much they had recalled. This process put pressure on the interviewer in respect of the construction of the questionnaire and time limitations. Insights about timing and tempo were gained from the pilot interview where the participant spoke at length.

### **Personal Bias as a Participant Researcher.**

There was the opportunity for subjective validation in participant selection and analysis. However, participant selection was purposive around gaining data that informed my research questions at different levels, and from different institutional perspectives. Bias in the analysis was mitigated by a robust analytical framework, employing mixed methods, triangulation in the collection and collation of data, and using content analysis software (NVivo) that "let the voices speak". My voice was added for clarity or context in the text but was not included in the primary research data. My closeness to the project and access to a large amount of secondary data added to my ability to provide context and triangulate views or themes coming through in the primary research.

### ***Summary.***

This chapter has provided a philosophy and rationale for the research design and outlined the methodologies and methods employed. The thesis will now turn to a case study and realistic impact evaluation of MAP in Chapters 5,6,7 and 8.

## CASE STUDY AND REALISTIC IMPACT EVALUATION

### Chapter 5. Metropolitan Auckland Project: Context

#### *Overview and Introduction*

This chapter explores the policy and political context for MAP and the narratives that became apparent in the lead-up to the project. Data was drawn from all four data collection methods, but it relied heavily on secondary research and participant research. I will, therefore, first outline my involvement as a participant researcher as it allowed me to provide added insight and triangulate other data. Then I will provide a brief introduction to the chapter.

Second, as a result of this exposure I was able to observe a number of converging factors that provided context to a more concerted effort at RED in Auckland. These included:

- The frustration with which central government tried to deal with “the Auckland problem” through the Regional Partnership Programme
- The frustration in Auckland (through our work with AREDA) at the lack of understanding outside of Auckland of the complexity of RED in a city-region
- The nature of RED practice in Auckland and New Zealand
- The nature of Auckland compared to other regions in New Zealand including:
  - the structure of the Auckland economy with a large service sector, manufacturing, retail and construction and the nature and size of industry sectors, labour markets and housing markets compared to other regions
  - the legacy of pressures from urbanisation, inward migration and population growth that concentrated in Auckland

- under-investment in infrastructure during the 1980s and 90s – particularly transport infrastructure;
- The [cosmopolitan] nature and diversity of communities within the Auckland region as compared to other regions.
- The mismatch between national policy and RED implementation in Auckland

All of these historical and contextual factors contributed to national policy settings for RED in Auckland being inadequate. Alongside this, political rhetoric centred on Auckland needing to lift its productivity and international competitiveness to play a more constructive role in the national economy.

Third, through the work IPP had been doing with AREDA (2004-2005) in developing a more regional approach for the local EDAs, and in providing performance assessment frameworks for those organisations, we had begun to understand the strengths, weaknesses and gaps in economic development policy and practice in Auckland. Fourth, as a result of IPPs involvement in the economic development sector, nationally, regionally and locally through research and consultancy assignments, this allowed me to observe the outcomes of policies and practices first hand. Also as a result of our partnership with the LEED programme of the OECD we were privy to international examples of regional development policy and practice. Thus, the genesis of a regional approach to ED implementation was born out of discussions with overseas experts and colleagues and a reflection on our understanding of the RED and Auckland contexts. Lastly, my involvement in MAP as a participant researcher with reflections and evidence gathered during that journey combined with the views and evidence of other key stakeholders, have been used to build this contextual picture of MAP.



Regional development has had a mixed history in New Zealand, starting early in New Zealand's history with strong parochial undertones and competition for resources. Competition existed for regional development funding and investment in new industries. However, decisions were often made centrally with new industrial plants being placed in less developed regions to spur industrial development. Regional development in the 1970s under the Muldoon-led National Government and its "think big" programme was a centrally planned industrial development programme for "the regions" (not cities).

The next round of attention given to regional development under a Labour-led government still had rural undertones and was still controlled by central government agencies, however, had a more endogenous approach. New Zealand political economy leading up to the formation of AREDS<sup>38</sup> gives some context for the focus on RED policy development in New Zealand. What follows is a brief examination of RED policy from Labour-led governments between 1999 and 2008. It provides the policy and political context for MAP in Auckland.

### ***RED Policy in Auckland 1999-2008***

There does exist a significant relationship between the regional and national levels of ED in theory and practice, but the relationship can be tenuous and at times even hostile. (Miller in Rowe, J.E., 2009, p 33).

Early in its history, Tamaki Makaurau (Auckland) was an important food source and trading place for Māori before European arrival. It has always been hotly contested and sought after for its natural resources and logistic position that includes access to three main harbours – the Manukau and Kaipara Harbours on the West coast and the

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<sup>38</sup> See Wilson, D. (2015) Working Paper: New Zealand Political economy 1984-1999: Conditions precedent to endogenous regional development policies in New Zealand 1999-2008.

Waitemata Harbour on the east coast. These harbours have played a major role in logistics and the import of secondary industry goods and the export of primary produce from the regions. From early European settlement, Auckland provided city support systems and networks for goods and services (finance, insurance, banking, and logistics) supplemented by the development of secondary and tertiary industries. The Auckland “region” grew to its current geopolitical demarcation aligning with the Auckland Council boundaries in October 2010. Even though it was and is the largest city in New Zealand, the nature and structure of Auckland’s economy was not well understood in 2005 at the genesis of MAP. More than a century of ad hoc growth through the common interest of a series of contiguous yet different communities, governance and growth patterns made up the new Auckland “super city” in 2010. (Shirley and Neill, 2013).

Auckland’s role in the national economy as a major trading and industrial centre was often countered by a rural sentiment that Auckland’s economy was domestically focussed, consumption-oriented, not adding enough value to New Zealand’s export efforts and, therefore, a drag on the national economy (ibid p.184). The Labour Party Industry Development Policy (April, 1999) stated that Government’s role was to ‘offer leadership, strategic vision, active partnerships, brokerage, procurement, a supportive public sector apparatus and a series of programmes that collectively form industry policy.’ This was a definite shift to a more proactive role for Government than that of the previous fifteen years (see Wilson, 2015 Working Paper).

The Alliance Party (Labour’s coalition partner led by the Hon. Jim Anderton) advocated for a nationally owned bank, with one of the stated aims that of enabling more domestic

investment, a financial transactions tax designed to dampen short-term speculative investment,<sup>39</sup> and a focus on endogenous regional development:

Mr Anderton was very much driven by this regional partnership programme and looking at how regions could develop. He thought the only way that New Zealand would prosper was if we took it from a regional basis first. It reminded me of being in San Sebastian when Michael Porter spoke about that kind of regional basis for economic development; looking at regional specialisation and clusters... (Participant I).

However, Anderton's use of the word "regional" in speeches had a particular rural connotation, partly in reaction to the excess of boom and bust business cycles in Auckland during the previous fifteen years. As participant I put it:

...it took a long time for that government to really get to the point of how important Auckland was to New Zealand's economic development... Jim Anderton's view was regional development is here to help poor regions. He was worried about some foundry in Thames or something or other... (ibid).

Except for the financial transactions tax, all of the pre-election regional development policies became government policy. The Labour-led Government introduced the 'Growth and Innovation Framework' (GIF) designed to promote innovation in key strategic sectors. Regional Partnership Programmes (RPPs) complemented the GIF and were designed to support key stakeholders in regions to develop regional development strategies and form partnerships to facilitate economic development. Major Regional Initiatives (MRIs) were designed to fund, in partnership with regional stakeholders, major RED initiatives, and it was expected that "the region" would bring private sector and other strategic partners in to help finance projects. As participant K related the regions were seen to be at a middle ground between the national and local levels and where a critical mass could be achieved to drive policies:

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<sup>39</sup> This is also known as a 'Tobin Tax' re-considered by the labour Party in 2011 and rejected again in favour of a capital gains tax designed to divert domestic investment away from speculative housing investment.

Regional economic development, you're trying to find the right point of focus between central government national policy settings... and how can you make this work on the ground. The regions are a reasonably good way of helping you with the translation from the big picture to local circumstances without diving right down to individual bits and bobs. (Participant K).

These were major policy shifts from the previous “hands off” economic management policies of 1984-1998. Platforms for regional development in New Zealand designed to capitalise on the differing strengths and capacities in differing regions were focussed on strengthening regional economies, moving up the value chain<sup>40</sup> and putting strategies in place to make regions more competitive through increasing human capital and innovation. Roles for economic development professionals in facilitating RED became increasingly important to the implementation of policies and providing a voice for the business sector and other regional stakeholders to the government (Wilson, 2005). In policy terms there had been a shift towards endogenous regional development. The private sector, that had become accustomed to free-market policies and an absence of government intervention, were still wary. In a similar vein, communities that had been through structural adjustments, rising unemployment due to mergers and acquisitions, downsizing and factory closures, the privatisation of state-owned enterprises that led to job losses,<sup>41</sup> and cheaper imported consumer goods displacing local production<sup>42</sup> were also wary.

For these reasons alone good communication between central government and regional stakeholders and increased institutional capacity at the local level operating at the interface between government, business and the community became important. It also

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<sup>40</sup> Adding and producing higher priced products and services for export and owning more of the share of value produced further up the supply chain

<sup>41</sup> In reality many only made the governments books look good for a time and there were a number of examples where government trading operations had returned large profits to their owners despite the rhetoric around inefficiency associated with privatisation; see for example Jesson's (1999) recount of the case of Electricorp and the Auckland Regional Services Trust.

<sup>42</sup> See Wilson, D. (2015) working paper for a fuller account

meant that any new form of devolution and partnership between central government and the regions was going to be difficult as in many instances local institutions were not strong, or in some cases did not exist, to manage and implement these new policies.

Economic Development Agencies (EDAs), for example, were formed in Auckland in the early 1990s to promote small to medium enterprise development and self-employment in reaction to persistently high unemployment. They were funded primarily by Territorial Local Government Authorities (TLAs) and contracted to the central government for the delivery of programmes like BYOB (Be Your Own Boss) and ETS (the Enterprise Training Scheme) under service contracts; an arrangement that institutionalised a top-down, funder-provider, contractual relationship rather than a partnership.

With one or two exceptions, EDAs were under-funded and lacked the capacity to undertake a full range of local or regional economic development activities (Lambert, 2011). Furthermore, their relationship with the central government was on two levels; one was that EDAs were thought to lack the capacity and capability required to deliver central government policies and therefore often found themselves in competition with central government agencies. Second, as the relationship between central government and EDAs was a contractual one, mainly in small business development, a wider conceptual understanding of RED was difficult to deliver with limited TLA funding (ibid).

Equally of concern to Government were what they termed ‘regions with acute needs’<sup>43</sup> and macro trends of the migration of skilled labour and higher technology businesses to cities in search of better infrastructure, logistics, bigger and more proximate markets, better business networks, and better access to overseas markets. Concurrently inward migration tended to settle in cities, predominantly Auckland, where it was perceived there were more job and business opportunities. Therefore, even though the regional development policies and rhetoric had a particularly rural overtone, with strong undertones of anti-Auckland sentiment post the excesses of the 1990s, there was an important departure from older forms of regional development. This shift was from a focus on government transfers and large-scale infrastructure investment to that of endogenous regional development building on localised resources, comparative and competitive advantages. Underpinned by institutional, evolutionary and endogenous development theories, this necessitated the building of institutional capacity, partnerships and networks to enable innovation and economic development in the regions (Schöllmann and Dalziel, 2003; Nischalke and Schöllmann, 2005; Wilson, 2005). With a drive to re-build and add value to New Zealand’s productive sectors, and with New Zealand’s exports being predominantly primary products from rural regions, Auckland was not high on the agenda. However, the case for changing the narrative around the importance of Auckland to the New Zealand economy became a driving force in Auckland’s economic development circles. Questions about the appropriateness of New Zealand’s regional development policies were in the context of mounting international evidence on the importance of cities for agglomeration and innovation that supported a more city-regional approach in Auckland.<sup>44</sup>

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<sup>43</sup> Those regions were described as having persistent under-utilisation of resources, slowness in adjusting to changing market dynamics, barriers to labour mobility, skills mismatches, high welfare dependency and poor educational and health outcomes (Schöllmann and Dalziel, 2003, p. 5).

<sup>44</sup> See for example Vazquez-Barquero, (2002); Boston Consulting Group (2002); Clark, G. (2002a, 2005, 2006d); Committee for Auckland, (2006); OECD, (2006), Wilson et al., (2008a).

Institutions that drove these kinds of programmes internationally varied from city to city but Regional Development Agencies (RDAs) in their various forms were readily apparent in Britain, the USA, Canada, Europe and South Africa (OECD, 2010b). Auckland, it was obvious, did not have such an institution, although it did have a regional tourism agency, Tourism Auckland, that was funded by some TLAs in the Auckland region. Christchurch and Wellington both had EDAs – the Canterbury Development Corporation and Positively Wellington Business respectively – neither of which had wider regional mandates outside the core urban areas associated with their local government funders.

### ***The ‘Boston Report’ and ‘Competitive Auckland.’***

In 2002, The Boston Consulting Group in Auckland prepared a report for a ‘business-led initiative to improve Auckland’s international competitiveness...’ (p.2) called ‘Competitive Auckland: Organising for Successful Economic Transformation.’ In it they highlighted five major lessons for Auckland from international experience, the fifth of which recommended an RED organisation to ‘drive and implement region-wide initiatives and to coordinate central and local agencies’ (p. 13).

It had become apparent to the business sector, and those working in EDAs, that a regional approach was needed in Auckland. However, institutional arrangements, particularly around the funding of EDAs and their sub-regional mandates, but also around Auckland’s inability to take a coordinated approach to things like industry development, infrastructure, innovation, export promotion and strategic inward investment attraction were apparent. Predominantly, in their view, this was because TLAs and EDAs were in competition with one another. Their position gained traction

with the central government in the choice of the CEO of a new office based in Auckland, the AREDS Office, which was designed to implement the Auckland Regional Economic Development Strategy (AREDS). The Competitive Auckland position, however, was not wholly accepted by the TLAs and the Office had real problems in ‘coordinating central and local agencies’. As one participant said ‘it always got undermined and unpicked by one of the seven dwarves’ (participant D referring to the seven TLAs).

### ***AREDS Implementation***

Rowe (2006, p. 595) believed that the confluence of three trajectories initiated the development of AREDS;

- i. the 1999 Labour-led government and their new RED policies based on strategic partnerships,
- ii. Competitive Auckland’s promotion of the need for a well-resourced regional development agency, and
- iii. Examples of a lack of coordination at the local government level in regards to taking advantage of inward investment opportunities.

AREDS was governed by an Establishment Group, comprising elected representatives from the TLAs, responsible for governance and funding arrangements. An Implementation Leaders Group (ILG) with TLA appointed business leaders was charged with implementation. But, as Rowe (2014) observed ‘because of arborescent thinking<sup>45</sup> the AREDS staff and ILG failed to communicate effectively the importance of regional cooperation to its stakeholders.’ TLAs and EDAs continued to ‘follow their

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<sup>45</sup> Rowe uses this term in a Deleuzian way to mean having a tendency to think and act in hierarchical, totalising (capturing) and binary ways rather than in systemic flexible ways.



own line of flight by pursuing policies and initiatives without consideration of, or consultation with, AREDS' (patch protection). Rowe also observed that 'several local government officials perceived AREDS as a challenge to their authority and pursued their own agendas.' These tensions served to undermine the AREDS process and highlighted the already 'striated space of local and regional economic development.' (Rowe, 2014, p.5).

Central government also regarded the Auckland region as particularly difficult in organising for MRIs under the RPP, observing that small and rural regions were able to (paraphrasing) "get their act together" rather more quickly (Nischalke and Schollman in Rowe, 2005). IPP, at the time, was working with Auckland's local EDAs and the Pacific Business Trust (a central government agency funded by the Ministry of Pacific Island Affairs), to gain increased regional collaboration; facilitating the formation of, and providing the secretariat for, the Auckland Regional Economic Development Association (AREDA).

The Auckland Chamber of Commerce and the Employers and Manufacturers Association, both business-member organisations, also provided business development programmes for their memberships. All agencies were able to apply for MRI funding under the RPP programme. However, central government favoured a regional partner approach, preferring to work through the AREDS Office.<sup>46</sup> The AREDS Office was charged with delivering regional initiatives through the RPP with MRIs. NZTE were instrumental in trying to put together actions to underpin the Office's work:

NZTE helped considerably to translate quite a high-level strategy into actions. That always requires a lot of work, and I don't think the right capability and capacity was put into that at the time, through no-one's fault, and there was lots

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<sup>46</sup> For a fuller history of AREDS and the AREDS office see Wetzstein (2007a) and Rowe (2009)

of goodwill, but you need good thinking driving that. We had about three people in the AREDS Office that were more adept at project management than providing a bridge between high-level strategy and actions. You've still got to do quite a lot of thinking before you need the project management people to drive [the actions]... (Participant H).

As a consequence, there was some jockeying for position in the economic development field within Auckland, with some agencies seeing the newly formed AREDS Office competing for scarce resources or attempting to centralise and control ED funding from central government in Auckland (Rowe, 2009). The officers within the AREDS Office had considerable leverage with central government and with the minister at the time – seeming to have the confidence and backing of central government but lacking support from local institutions. The office established strong relationships with the ARC and The Auckland City Council (ACC) as the two key players in the development of AREDS.

In the period 2000-2005 the ARC had no EDA and ACC had an in-house strategic economic policy unit but no EDA after withdrawing support for Auckland New Ventures Trust<sup>47</sup> in 2000. Those EDAs present in Auckland in 2005 were attached to other TLAs or in the case of ANVT survived on central government contracts. EDAs were well established delivering central government programmes to small businesses and local economic development projects in, for example, the film, marine and food and beverage sectors before and during the development of AREDS and the AREDS Office. The AREDS Office, EDAs and various parties, both public and private, found it difficult to work together with different cultures and expectations coming into play:

So after AREDS implementation faltered quite badly due to a lack of governance of economic development across the TLAs. Everyone did their own thing, so AREDS, which was a collaboratively developed strategy, had no

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<sup>47</sup> ANVT was a founding member of AREDA

single obvious home. The political leadership for the strategy itself had come through Manukau, Sir Barry,<sup>48</sup> but Manukau [City Council] weren't in a position to do much of the implementation, so Auckland City agreed to bankroll the first governance setup [the AREDS Office], which was a disaster... The reason was that we brought in private sector people who had a particular view of how you made decisions and spent money that wasn't well aligned with the public sector. I could absolutely understand where they were coming from; they were used to being able to make decisions on the fly, they were used to being able to report in a particular way to a Board, but, of course, reporting to a joint committee of local body politicians was a very different thing. They found the constraints of public sector finance and decision-making really hard to work with, so the relationship was poor. (Participant R).

There were a number of reasons why the AREDS office was disbanded and failed to deliver projects that aligned with the goals of AREDS. It was also argued that the AREDS Office did not read the local political situation very well, preferring to try and control regional efforts and ignore EDAs if they did not cooperate. They also underestimated support for local economic development programmes and projects. The AREDS Office also suffered from a lack of resources working within an institutional framework that was misaligned at the regional level. All of these factors combined to support the development of Auckland Plus, a business unit within the ARC:

Poor old Auckland City set them [the AREDS Office] up, but then had to try and get information out of them, so it was a really difficult year, but then because of that, I think the Auckland Regional Council got given the job, slightly reluctantly, of setting up an office to drive the implementation of AREDS. That's when Clyde [Rogers] and all those people came on board. So Clyde was brought in to head it up. He had a history of being quite successful at Enterprise Waitakere, so he was used to the implementation end of things than the Regional Council would have been, so he was a good person to bring in and get things moving. (Participant R).

The structure of the MRI programme, with up to \$2million per region with matched funding from within the region in dollar terms and "in-kind" contribution, suited some of the smaller regions with significant and dominant industry sectors where a regional intervention was more obvious. It demonstrated that one size did not fit all and that

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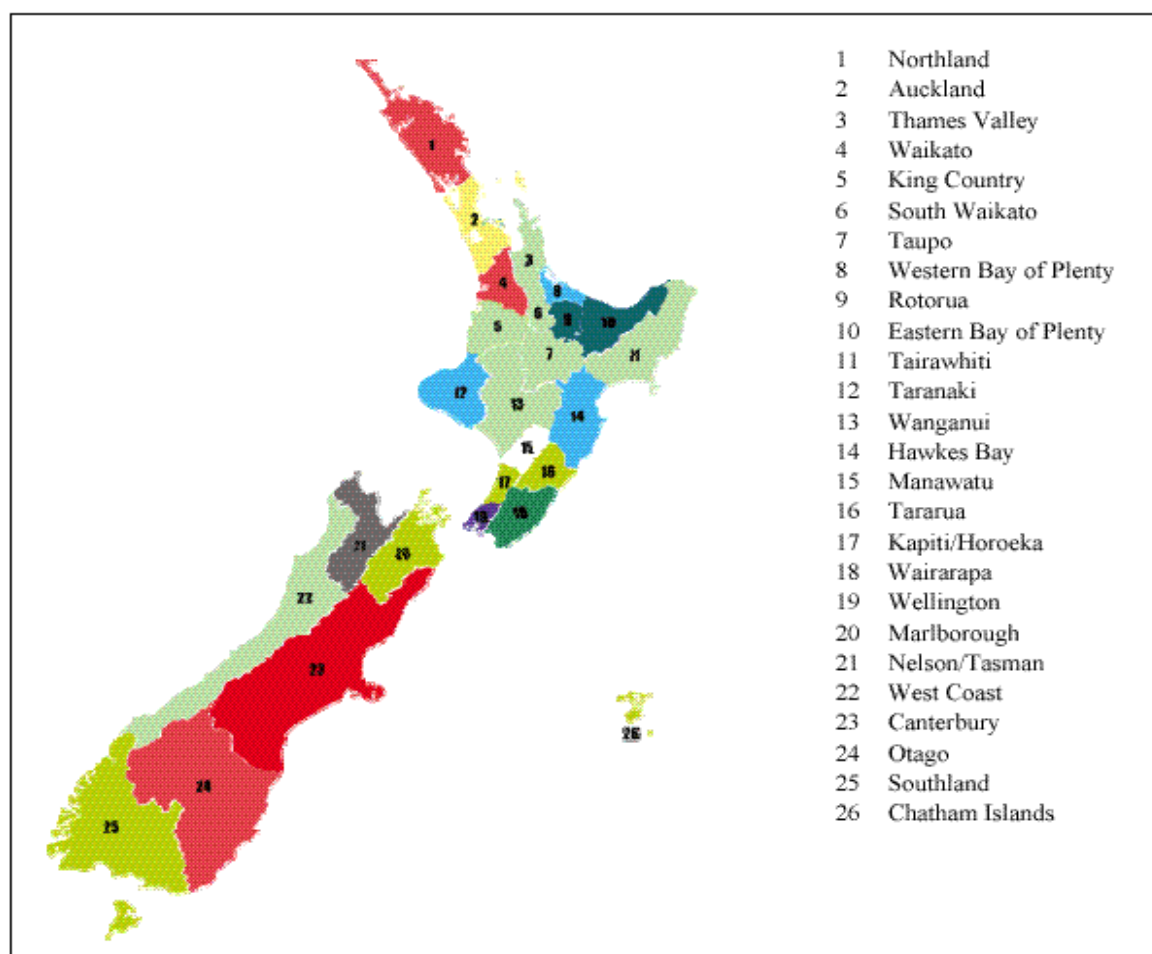
<sup>48</sup> Sir Barry Curtis, then Mayor of Manukau City Council

regions were different in their size, scale and scope, and strategic development opportunities. In the first iteration, Auckland was considered one of 26 regions ( see figure 6 below)<sup>49</sup> along with other much smaller regions and not afforded any specific attention – even though the Auckland region contained approximately 1/3 of New Zealand’s population and accounted for approximately 1/3 of the nation’s GDP.

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<sup>49</sup> This was the first iteration, the number of regions was reduced to 14 later on to try to lift the level of and significance of MRIs. Auckland was also given special consideration in strategy funding post the Metro Report and through hard work by Auckland Plus.

**Figure 6 Regional Partnership Programme Regions in New Zealand, 2005.**



Source: New Zealand Trade and Enterprise

<http://www.nzte.govt.nz/article/0,1973,SectionID%253D11766,00.html>

Therefore, in Auckland, MRIs tended to be put forward by local EDAs that were seen to be ready for “up-scaling” to a regional level. The problem was that the economic geography of those projects was not always regional and the funding for the projects was minor compared to the industry sectors they were attempting to intervene in, leading to the conclusion that MRIs in Auckland were neither major nor regional. As one participant put it there was ‘...a recognition that there was a big gap between the MRIs [and the regional strategy]; there wasn’t really an action plan for them to sit in. In fact, they were far off sitting within the strategy. You could always put them somewhere but the strategy was very high level...’ (Participant R).

RPP policy settings had a definite new regionalist approach, however, with a preference for building partnerships and institutions and creating the environment for collaboration and innovation. The RPP programme had achieved many of the institutional and partnership building objectives in many regions but not in Auckland. On the other hand, Government's key innovation policy, the Growth and Innovation Framework, which was meant to be building Regional Innovation Systems (RIS),<sup>50</sup> was not being realised in New Zealand's largest City, contrary to evidence that would suggest Auckland was fundamental to supporting innovation in New Zealand. (Schollman & Dalziel, 2003; Schollman and Nischalke, 2005). The problem was that Auckland not only did not have any formalised RISs, but its institutional arrangements and partnership behaviours were also inadequate to support the formation of RISs, thus falling short of two key intended outcomes of the RPP programme.

These factors were all seen as barriers to the successful implementation of projects of regional significance in Auckland as Schollman and Nischalke noted in a review in 2005:

To date, 14 MRIs have been approved in 12 RPP regions (most of them mid-sized), but, notably, in the most populous regions with key research and business centres (Auckland, Canterbury, Otago), the MRI process has experienced significant delays. (Schollman and Nischalke, 2005, p. 54).

The AREDS process had therefore identified major underlying policy and institutional problems in Auckland with an inability to tackle significant RED issues in a coherent

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<sup>50</sup> 'The concept of regional innovation systems has also been influential in new regionalist thinking...regional innovation systems are generally described as systems of elements and relationships which interact in the production, diffusion and use of knowledge within the bounds of a region. Key elements of regional innovation systems include spatial concentrations of firms (e.g. industrial clusters) and supporting knowledge organisations (e.g. universities, training institutions), regional R&D infrastructure (e.g. research institutes) as well as support organisations that bridge the gap between supply and demand (e.g. technology brokers, venture capital firms).' (Schollman and Nischalke, 2005, p.49).

way. Aside from EDAs attempting to work together on a regional basis, any significant economic development decisions were being made in Wellington. Central government had underestimated the size and scale needed for MRIs in Auckland and the policy framework and institutional constraints created frustrations:

[There was] Complete bloody frustration, with the pocketed approach. The Competitive Auckland strategy was actually roundly rejected and to some degree so was AREDS. It always got undermined and unpicked by one of the seven dwarves [referring to the seven Auckland councils]. It was just one of those little places, nobody ever bloody did anything, and we continued to lose talent offshore and just to go nowhere. (Participant D).

Central government had not only underestimated the scale of interventions needed and the funding required, it had not fully understood the gravity of the situation and the mood of Auckland stakeholders (Schöllman and Nischalke, 2005). So while the RPP and MRI programmes provided well thought through policy on a national basis, their application and appropriateness to Auckland were inadequate. The AREDS Office was disbanded in 2004 and the formation of Auckland Plus followed in 2005 as a further attempt to regionalise efforts which coincided with other Auckland stakeholders wishing to gear up at a regional level (e.g. the regional grouping of EDAs; AREDA).

### ***The Governance Debate***

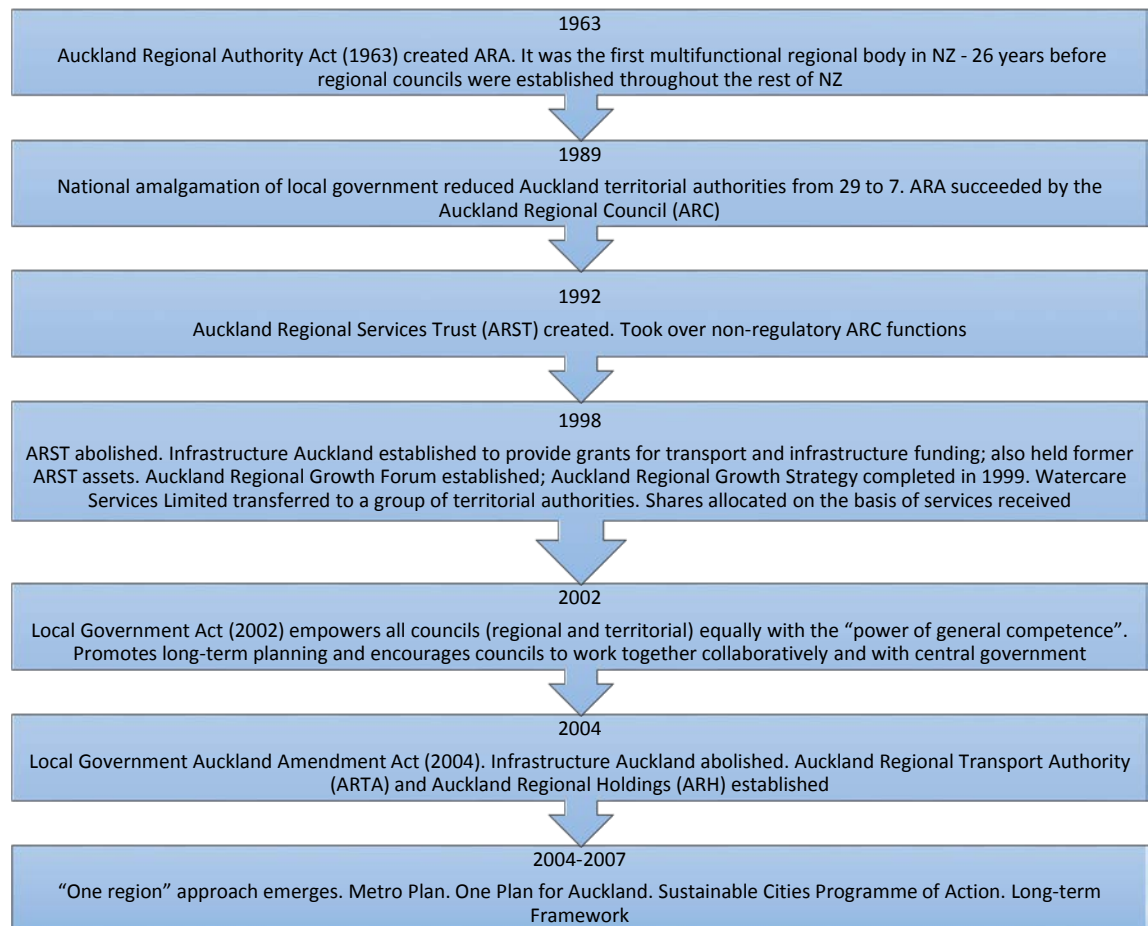
A subtext to discussions around RED had always been governance; governance of Auckland as a whole and governance of RED efforts within Auckland. Early signs of consideration of regional governance in Auckland were seen in the formation of the Auckland Regional Authority (ARA) in 1963, the Auckland Regional Services Trust (ARST) in 1992 and Infrastructure Auckland in 1998. Figure 7 below shows a brief overview of Auckland's regional governance mechanisms from 1963 – 2007. The formation of the ARA was the forerunner to thirteen regional councils being formed across New Zealand in 1989 as part of nation-wide local government reforms. In

Auckland twenty-seven local councils were amalgamated into seven territorial (four city and three district) councils and the Auckland Regional Council which replaced the ARA (see Appendix 16). The Local Government Act 2002 provided Councils with ‘power of general competence’ and the mandate to address what became known as the four “well-beings” – social, economic, environmental and cultural.<sup>51</sup> It also set out how local government should work with Māori regarding the Treaty of Waitangi. In 2010 the Auckland Council was formed which replaced the seven TLAs and the ARC and all their subsidiaries. The functional region in regard to public assets, infrastructure and development played significant roles in new institutional arrangements. What follows is an explanation of the significance that RED played in changing the governance of Auckland in the period 2000-2010.

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<sup>51</sup> The new purpose of local government was to promote the social, economic, environmental and cultural well-being of communities. It gave councils the “power of general competence”, allowing them to choose the activities they undertook and how they should undertake them (subject to a public consultation process). See [http://www.dia.govt.nz/diawebsite.nsf/wpg\\_URL/Legislative-Reviews-Local-Government-Act-Review-Local-Government-Act-Review?OpenDocument](http://www.dia.govt.nz/diawebsite.nsf/wpg_URL/Legislative-Reviews-Local-Government-Act-Review-Local-Government-Act-Review?OpenDocument)





**Figure 7 Evolution of Auckland's Governance 1963-2007<sup>52</sup>**

Pressure for governance changes came from both the private and public sectors in the period 2000-2010. The private sector grouping CfA, following Competitive Auckland, the Boston Report and the AREDS Office being disbanded, believed that there was an inability to act in a unified way for Auckland's economic interests:

...the Committee for Auckland had done about three good pieces of work and the last one was the case for an exhibition convention centre, and in the end...

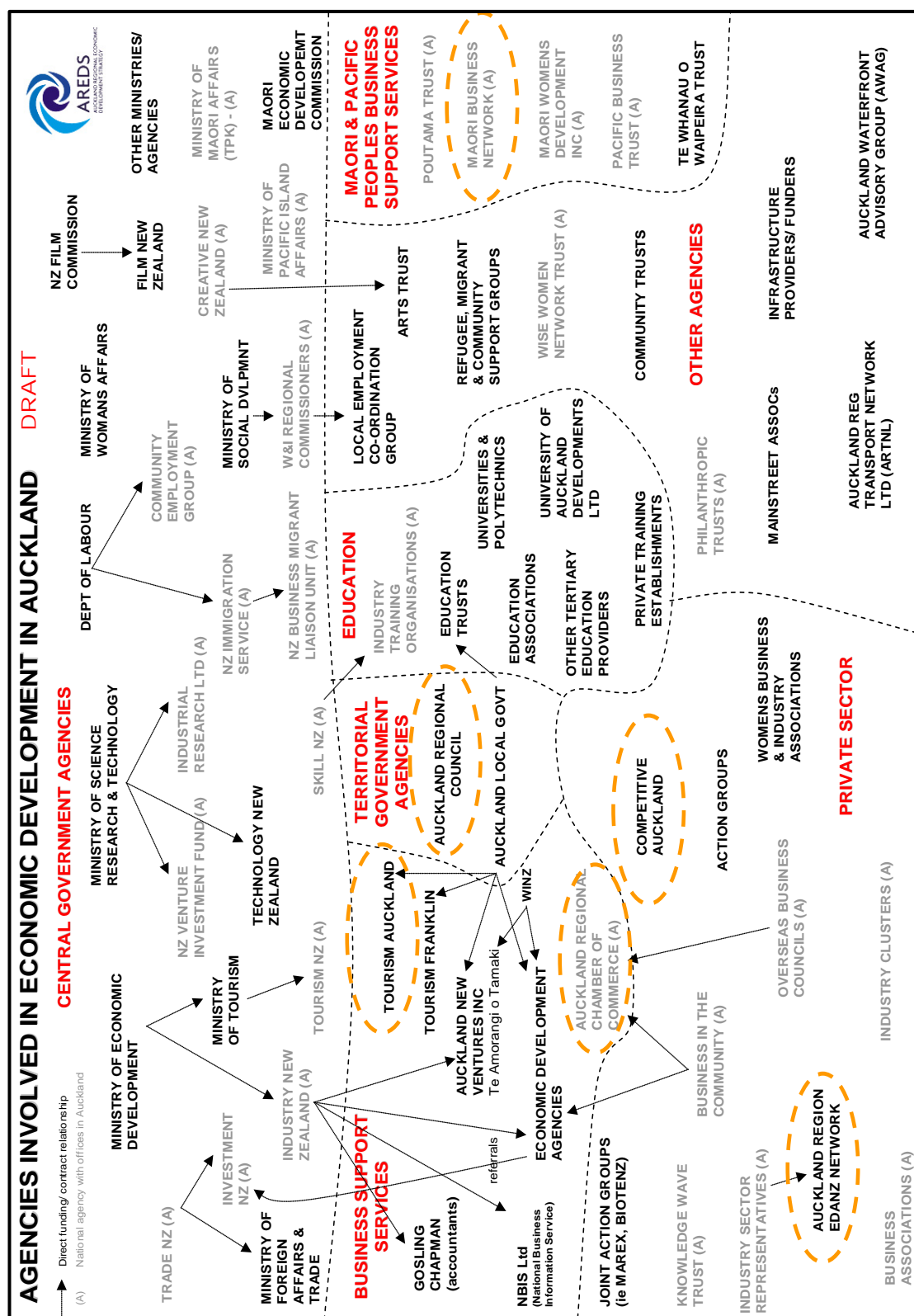
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<sup>52</sup> Source: <http://www.aucklandcouncil.govt.nz/SiteCollectionDocuments/Making-Auckland-Greater-government-decisions-20042009.pdf>. Note 27 Councils is based on a particular view of the boundary of the Auckland region that coincided with the ARC in 2009 (see Appendix 16). The Local Government Commissioner in 2006 considered that the number was 39, more likely based on the coinciding 7 TLA boundaries prior to 1989.

the result was always the same. We thought this is just hopeless, this is just systemic failure. We have to do something about the governance and leadership. You can't leave it the way it is, it's just nuts. (Participant D).

As Figure 8 demonstrates, the public sector had also attempted to unravel the interconnections and duplications in economic development efforts. In 2001, as part of the AREDS process, agencies involved in economic development in Auckland were mapped with a view to rationalising and coordinating better at a regional level.

Figure 8. Economic Development Institutions and Networks in Auckland, 2001.



Source: AREDS, 2002.

Rationalisation and coordination also proved to be difficult throughout the formation and operation of the AREDS Office. The subsequent establishment of Auckland Plus was also met by a range of reactions from resistance to simply being ignored:

What does the Auckland Region know about what's going on in Manukau? We've got all the connections; we understand what's best for our [sub-]region, ... but in the end, it's only ever one part of Auckland. (Participant A).

The Government Urban Economic Development Office (GUEDO) was set up by central government in 2005. It was designed to be a representation of relevant central government agencies with an interest in urban economic development working together in one office in Auckland. It played a key role in the governance of MAP. IPPs experience in providing the secretariat for AREDA was a lack of trust and collaboration between central and local government agencies and between the public and private sector agencies involved in economic development.<sup>53</sup> AREDA's interactions with the AREDS Office and central government agencies and politicians with entrenched negative attitudes towards Auckland were also fraught. In our view changing central government's attitude towards recognising the importance of Auckland to the New Zealand economy was fundamental to framing economic development efforts in Auckland, and in this respect GUEDO was pivotal.

Auckland's regional and local governments did not have the levers on their own to effect the change needed. Therefore, discussion about governance had to be had, even though ARC members of MAP team resisted governance being part of the scope,

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<sup>53</sup> As an example, at that time the contract for the Enterprise Training Programme, a central government(NZTE) business development programme, was awarded to a private sector accountancy firm Gosling Chapman, ahead of the regional grouping of EDAs; AREDA. This caused extreme dissonance between central and local government agencies at a time when agencies were trying to collaborate. It was also viewed as old thinking ("the contractual State" intent on providing a "market" for government services) and proof of deliberately divisive central government behaviour to reinforce a rhetoric around local EDAs lacking competence and capacity.

preferring to frame MAP as an exercise in lifting Auckland's productivity (Le Heron and McDermott, 2008, p. 290).

However, the release of the Metro Report in June 2006 captured and released underlying and pent up frustrations from many quarters. In August 2006 Grant Kirby, the previous Local Government Commissioner, wrote:

There are growing concerns that New Zealand's biggest city (in fact, four cities) and three district councils plus a regional council is struggling to perform to international standards, or to perform its expected and vital role within the country.

Factors such as continued rapid growth coupled with historic underinvestment in infrastructure contribute to this situation.

And despite the local government reforms of 1989, which abolished 39 local councils and created seven new ones from forced amalgamations; the region suffers from an inefficient local government structure.

An Act of Parliament could create a new unitary authority to govern Auckland and have it up and running within 18 months to two years. That authority would combine the governance roles of the seven local authorities and the regional council.

One mayor and 25 members would replace the seven mayors and 110 members.

An appropriate number of community boards could give effective local representation and retain local identities.

The spectre of a "super city" is needless scaremongering - a unified Auckland would give us a chance to match Brisbane's progress.

Such a structure is practical and pragmatic and would finally achieve one funding and service delivery.

One Auckland, one plan, one voice. (Kirby, 2006).

In September 2006, four Auckland city mayors, (Bob Harvey; Waitakere City, George Wood; North Shore City, Dick Hubbard; Auckland City and Sir Barry Curtis; Manukau City) sent a letter to Prime Minister Helen Clark. It proposed a "Greater Auckland Council" that kept the TLA structures in place, with some regional district

modifications and alignment to ARC boundaries, but proposed a more federal approach electing a single Auckland Mayor and abolishing the ARC:

The Greater Auckland Council (GAC) must be more than a revamp, renamed or reconstituted ARC. It will obviously pick up on a number of the current ARC responsibilities, programmes and expertise, and will also take some current functions from the TLA's. However, the transition to the new structure must be tight and well defined. It must factually, and in the public perception, herald "a fresh new start" to the governance of Auckland.... The focus must be on a structure that removes the conflicting, confusing and overlapping responsibilities between the ARC and the TLA's of Auckland. (see Appendix 9).

It also stressed the importance of the Metro Report and the opportunity that the RWC 2011 presented:

- (a) It is in our opinion hugely important that we avoid a "hiatus" of a slow implementation that freezes decision-making, diverts attention and slows Rugby World Cup preparations.
- (b) The current METRO report recommendations in our opinion cannot start to be delivered under the existing governance structure.
- (c) The "boldness" inherent in the plan will be diluted and partly lost by a slow implementation process and some "pull back" to existing structures may occur by those resistant to change.

Local governments' view of how the Governance of Auckland should be organised did not receive overwhelming support by, in particular, private-sector lobby groups such as NZCID, EMA and the Property Council, who also had views on how Auckland should be governed, as did major legal firms and consultancies; these mainly centred on single council structures. An independent trust called the One Auckland Trust, formed by Grant Kirby, promoted a unitary council<sup>54</sup> for Auckland.

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<sup>54</sup> In New Zealand a unitary Council is a single tier local government, usually with subsidiary community boards, where the functions, roles and responsibilities of regional councils and TLAs are combined. Before amalgamation in Auckland (2010) these were evident in smaller rural regions in New Zealand.

In December 2006 central government set up a working group of combined central and local government CEOs and a political reference group chaired by the then Mayor of Papakura<sup>55</sup> John Robertson. The proposal called ‘Strengthening Auckland’s Regional Governance’ produced in July 2007 stated that councils agreed the major elements of any reform were:

- A strengthened regional council (possibly called Greater Auckland) with all the functions of the current Auckland Regional Council plus some additional responsibilities, such as tourism promotion, regional economic development, and regionally significant events management;
- One Plan for Auckland that will promote social, economic, cultural and environmental wellbeing through prioritised action plans; and
- A Regional Sustainable Development Forum (RSDF), to develop and recommend the One Plan for adoption, the Forum will be a standing committee of the strengthened regional council. (Burton, 2007)

However in the same press release Local Government Minister Burton also said that:

...it will establish a Royal Commission of Inquiry into Auckland. The Commission will examine and report on what local and regional governance arrangements are required for the Auckland region over the foreseeable future.

Thus, the Royal Commission on Auckland Governance was set up in July 2007. It deliberated for two years, receiving over 3000 submissions, releasing its final report in March 2009.<sup>56</sup> The increased ability of the ARC to address regionally significant issues of the “four well-beings”; economic, social, environmental and cultural, in the Local Government Act (2002) had presented them with an opportunity to take leadership in MAP. The ARC submission to the Royal Commission on Auckland Governance called

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<sup>55</sup> the smallest, and one of three district councils in the Auckland region.

<sup>56</sup> <http://www.dia.govt.nz/Decommissioned-websites---Royal-Commission-on-Auckland-Governance>

for a unitary council, the “Greater Auckland Authority” with thirty community boards, abolishing the TLAs. The Chairman Mike Lee said in 2008:

“Positive, region-wide progress has been held back for too long by fractiousness and rivalry over roles and responsibilities,” says Mr Lee. “It’s the Auckland disease. A single Greater Auckland Authority would provide a ‘one-stop-local-government-shop’ with one rating bill, one common building consent and resource consent standard, and one set of rules. Many community voices would together contribute to one regional voice – ‘the one and the many’.”<sup>57</sup>

The Royal Commission’s recommendations settled on a federal approach and recommended six local councils, four urban and two rural with the urban parts of Papakura going to a new ‘Manukau Local Council’ and the rural going to a new ‘Hunua Local Council.’ An overarching Auckland Council would comprise 23 councillors, 10 elected at large from across the region, eight from four urban wards and four from two rural wards, plus a mayor elected at large. The Auckland Council functions would include regional policy and planning, infrastructure, services, economic and social development. It also recommended rationalising Auckland’s forty CCOs.<sup>58</sup> Central government’s response was back to a unitary structure:

One unitary Auckland Council, comprising a mayor with governance powers and a council of 20 elected members.

The mayor will be elected at large by the region’s residents and ratepayers.

On the Auckland Council, eight councillors will be elected at large, with the other 12 elected from wards.

Twenty to 30 local boards [with 125-150 elected members] will be established across the region as the second tier of governance.

As a general principle, all assets and liabilities of existing councils and responsibility for council-controlled organisations (CCOs) will be transferred to Auckland Council.

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<sup>57</sup> <http://www.scoop.co.nz/stories/AK0804/S00143.htm>

<sup>58</sup> [http://www.beehive.govt.nz/sites/all/files/executive\\_summary.pdf](http://www.beehive.govt.nz/sites/all/files/executive_summary.pdf)



The new Council will decide the appropriate number and type of CCOs, where these have not previously been agreed upon by either Government or the Establishment Board.<sup>59</sup>

The Government set up the Auckland Transition Agency through the Local Government (Tamaki Makaurau<sup>60</sup> Reorganisation) Act 2009, to oversee transition with a view to electing the new mayor and councillors in 2010. The final structure was one mayor with 20 councillors all elected on a ward basis from 13 wards (none elected at large), and 21 local boards with a total of 149 elected members.<sup>61</sup> There would be, seven major CCOs comprising transport, property, investments, waterfront development, tourism events and economic development (ATEED), regional facilities and water.

As illustrated in figure 9 below the governance debate progressed through the life of MAP to what could be interpreted as its logical conclusion; the Amalgamation of the seven TLAs and the ARC into one Auckland Council. The difference in these regionalist debates was the role that economic development played in the consideration of Auckland's governance. The notion of a functional city-region and its economic geography were a large part of the narratives, debates and considerations of the Royal Commission and in central government's response. However the tone and recommendations of the Royal Commission were focussed on governance alongside government<sup>62</sup> whereas the central government's response and the work of the ATA focussed on the structure of the new Auckland Council.

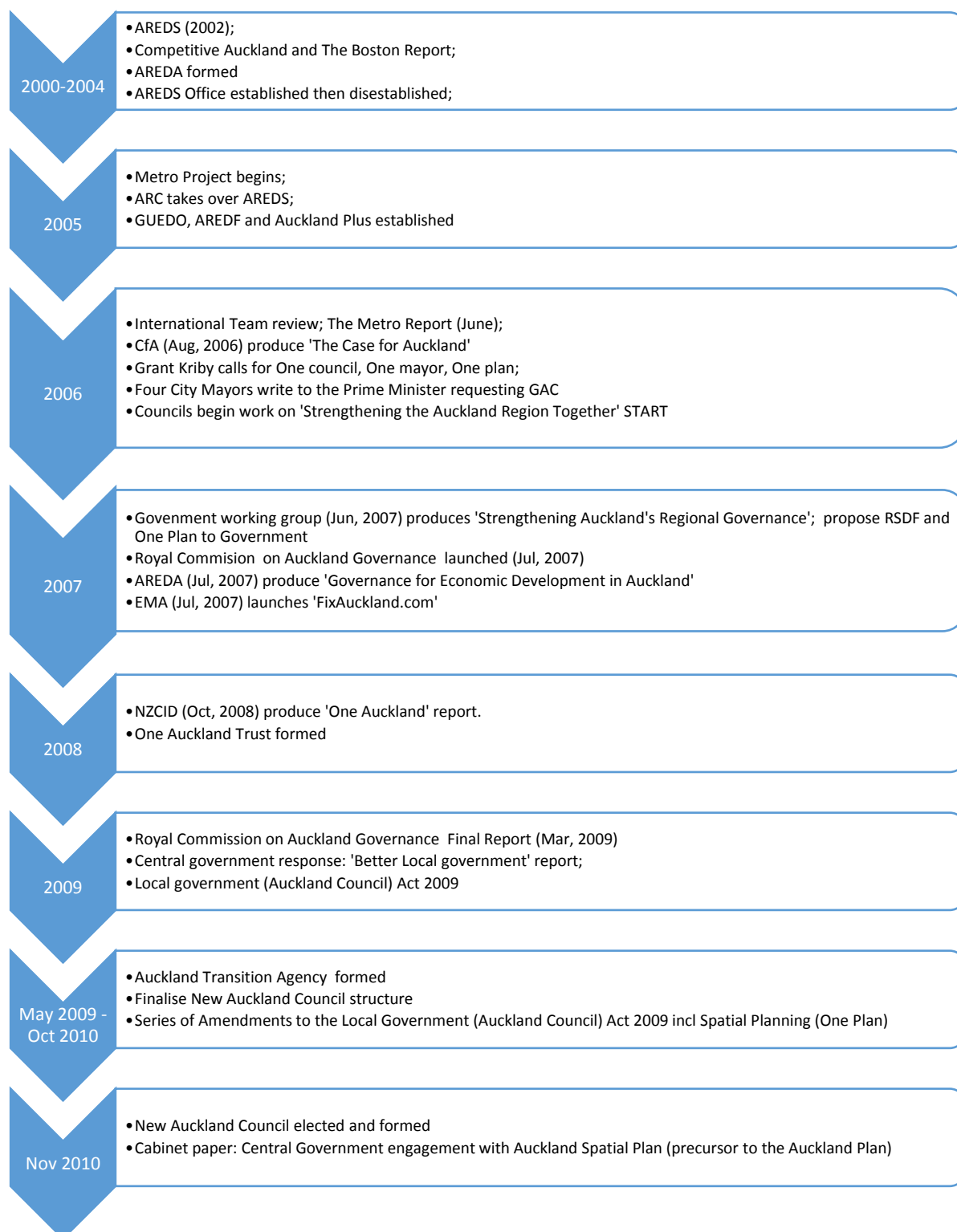
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<sup>59</sup> <http://www.aucklandcouncil.govt.nz/SiteCollectionDocuments/Making-Auckland-Greater-government-decisions-20042009.pdf>

<sup>60</sup> Māori name for the Auckland Region

<sup>61</sup> Local Boards were a new designation in law specifically for Auckland. They had a total of 149 elected members across 21 local boards. Their budgets were set and staff supplied by the parent Auckland Council even though the wording was to give effect to "co-governance" of the region in an attempt to rationalise services on the one hand but provide a sense of recognising local and regional levels of democratic governance. (see [http://www.ata.govt.nz/web/cms\\_ata.nsf](http://www.ata.govt.nz/web/cms_ata.nsf) ).

<sup>62</sup> For example the formation of a social development forum with central and local government representation



**Figure 9 Auckland Regional Economic Development, Governance and Planning Milestones 2000-2010**

### ***Underlying Assumptions and Perceptions***

Davis (2005, p. 275) argued that a realist evaluation needs to be adapted to address the cumulative impacts on policy and organisational culture that are inherently political in nature. He also argued that this has the potential to address gaming (political interference) and the 'lock-in' of causal pathways by revealing the context and the underlying assumptions that led to programmatic interventions (ibid, p.278). Pederson and Reiper (2008, p.273), like Davis, argued that large-scale public reforms have a 'higher degree of internal complexity and are surrounded by various policy coalitions.' MAP had a number of political processes and iterations throughout 2005-2010 that drove certain narratives in the media and in policy circles. The following three high-level themes were the main assumptions that participants believed provided context for MAP. These were drawn primarily from three main nodes; 'Context' (nineteen participants with 118 references), 'politics and policy coalitions' (19 participants; 112 references) and 'Metro Project assumptions' (17 participants; 94 references).

### **Auckland is underperforming.**

The Auckland regional economy was and is of a size where it could be either helpful or a hindrance to the national economy (Easton, 2006). Not understanding the nature of New Zealand's largest regional economy had become an obstacle to [regional] economic development policy, strategy and the implementation. Contemporary economic development theories emphasising the importance of cities highlighted further that there were no regional entities able to take responsibility for, let alone have the mandate for, RED in Auckland.

A strong business lobby deciding what could and should be done in Auckland had begun in the AREDS process. This process had developed long-term and high-level objectives and outcomes. Central government, with an increasing recognition of the importance of Auckland to the national economy, began to articulate through GIF the importance of cities for a “knowledge economy”. It had as its major potential stumbling block an under-performing major city with some of the largest innovation and knowledge assets. At the same time questions were being raised about historic and significant under-investment in Auckland’s infrastructure namely; “the three waters” (drinking, wastewater and sewerage), transport and logistics<sup>63</sup> (especially public transport, roads, rail and port access) and energy (particularly the security of supply).

The maize of governance arrangements for important regional assets, land use planning, the Metropolitan Urban Limit (MUL),<sup>64</sup> regulatory issues including different development rules in different TLA jurisdictions, and different interpretations and implementation of the Resource Management Act (RMA), all played a part in the perception that local government in Auckland was underperforming.<sup>65</sup> The Auckland Regional Council (ARC) played a significant role in the MUL and RMA decisions, and until 2000 was mandated against being involved in economic development. Its main functions were regional planning and management, growth strategies (mainly based on spatial planning and demographic projections), environmental control, parks and

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<sup>63</sup> When imports and exports are combined Auckland is the largest logistics centre in the country both in terms of value and volume. In terms of exports alone Tauranga Port has overtaken Auckland particularly in volume by sea – which is understandable when access to and from the Auckland Ports is limited by congestion and Tauranga is closer to many primary export regions and industries such as forestry. The Auckland Ports remain the largest import access point by volume and value and by air Auckland is by far the largest import and export point.

<sup>64</sup> The MUL was an attempt to limit urban sprawl through regional planning designation. It was often criticised for having distortionary pricing effects that supported “land banking”; speculators waiting for changes in designation.

<sup>65</sup> The RMA provides the legal context for resource use and sustainable development. It sets up a process whereby developments must be notified and people and organisations have the chance to challenge developments before they go ahead. It has been roundly criticised by business groups as bureaucratic, cumbersome, one-sided, protracted and expensive and yet wholly supported by many environmental groups.

reserves and the Ports of Auckland (sea port). Within this context, it was becoming evident that economic development needed to be better organised at a regional level. Social, environmental and infrastructure considerations needed to be better aligned with economic development efforts, as did the institutional arrangements that supported those decisions.

Policies and strategies were often developed in isolation. For example, the Regional Growth Strategy developed by the ARC (1999) was a planning document with projections for growth based on historical demographic trends and was not well integrated with economic development planning and localised actions (Le Heron and McDermott, 2008; Lambert, 2011). Parochialism at a sub-regional level was still prevalent with many TLAs committed to their economic development efforts. Thus tensions between TLAs and the ARC over resource management, land use policies, growth projections and the ARCs power to veto developments that local authorities supported was seen as restrictive by the TLAs.

TLAs also often disagreed with one another over cross-border developments. Decisions of regional significance were hotly contested, with most local authorities and politicians putting their constituent interests ahead of regional interests. As one participant put it ‘actually operating on a strategic level or a pan-Auckland level or a “we’re in this for the greater good” level, was butted up against the day-to-day accountabilities of that local context’ (participant L). On the other hand, at a high-level, local authorities were endeavouring to work together through arrangements like the Mayoral forum and CEO forum but these still had limitations:

Yes the CEO Forum... There was a whole range of changes there which we all agreed as professionals we needed to work together on. We got on pretty well so there was certainly a desire to look at collaborative projects. I guess it varies between the ability of CEs and the willingness to drive their political masters,

so you had varying degrees of willingness to look at how you collaborated strategically... and you have to respect that, you have to respect that some CEs are not going to push politicians and some can't, they get whacked around... when they get back. (Participant J).

Historical anomalies also existed, for example, in the funding of regional assets with some TLAs shouldering the expense because they fell within their territorial boundary (such as ACC funding the Auckland Zoo, the Museum of Transport and Technology, the Auckland Philharmonia Orchestra, Tourism Auckland and the Auckland Art Gallery). Local Authorities also tended to act competitively for inward investment rather than collaborating on a regional level. Therefore, RED both in strategy and implementation was either neglected or protracted.<sup>66</sup>

At the time no research had been carried out to determine Auckland's value-added component to exports, its export profile, its contribution to the knowledge economy or its relative share of knowledge workers to determine its contribution to the knowledge economy in New Zealand. Some work had been carried out by the ACC economic development unit that identified the creative industries in Auckland (i.e. the area covered by the Auckland *City* Council at the time). It uncovered what might be expected in central city locations regarding economic activities in the creative industries. But the report was not funded to, and, therefore, did not explore, other potential hotspots (within the Auckland region) or linkages across the region, or connections to other sectors of the economy. It was also light on determining cultural components that would be commensurate with a rather more distinctive Auckland

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<sup>66</sup> See for example Rowe (2006).

population compared to other regions.<sup>67</sup> Government policies were also silent on cultures and identities as a basis for development in Auckland.<sup>68</sup>

The ACC report nonetheless began to articulate some of the differences in the make-up of the Auckland population and knowledge economy when compared to other regions, for example in film and television production and related digital content activities. Before this piece of work, disaggregated regional statistics on industry sectors (ANZSIC codes<sup>69</sup>) and employment were the main sources of information about the structure of the Auckland economy. Location quotients<sup>70</sup> and shift-share<sup>71</sup> analyses demonstrated a comparative advantage, for example, in ‘business and professional services’ which was generic and difficult to translate into MRIs that aligned with the GIF or ETA. Furthermore ANZSIC classifications did not capture the nature of the relationships and networks within particular sectors such as marine, film, or the creative industries or how, for example, business and professional services connected to other parts of the national economy. More work, therefore, needed to be done on understanding and strengthening the role of Auckland in the national economy.

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<sup>67</sup> See Shirley and Neill, 2013, pp 192-193 for a more in depth description of the relative difference and lack of understanding of the distinctiveness of Auckland’s diversity.

<sup>68</sup> For a useful and more in depth understanding of the two concepts ‘creative industries’ and ‘cultural economy’ see Cook and Lazzeretti (2008) ‘Creative Cities, Cultural Clusters and Local Economic Development’

<sup>69</sup> Australia and New Zealand Standard Industrial Codes (ANZSIC) are the major statistical classification for understanding the structure of the NZ economy, see <http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/industrial-classification.aspx>

<sup>70</sup> Location quotients look at the concentration of employees in a particular sector of the economy as compared to the economy as a whole. Identifying industry concentrations can lead to identifying specialisations or clusters of activity that may be strategic in economic development terms.

<sup>71</sup> Shift Share analysis compares the concentrations of industry sectors in one economy compared to another or a larger economy. This is done to try and identify comparative advantage. For example it might be said that the Marlborough region has a comparative advantage is wine production when compared to Auckland, as the concentration of production employment and value of that industry sector in Marlborough is more important to that economy and indicates that that region is comparatively better at wine production than Auckland.

Information about regional specialisations, new industry sectors, networks, linkages, clusters, supply chains, value chains, research and research collaborations was sparse, localised and ad hoc. There was no coherent regional picture of the economy that lent itself to economic development action. Furthermore, labour market information was similarly descriptive but unable to be interpreted in light of the GIF and ETA. The lack of connection between labour supply and demand factors and the actions needed to meet the demands of a knowledge intensive urban economy were also unknowns. Decisions for economic development strategies and actions were often the result of constant discursive meetings and negotiation between key policy-makers within various government circles (Le Heron and Wetzstein 2010).

Through a series of correlated events, therefore, Auckland was perceived as underachieving particularly by a strong business lobby. 'The issue of Auckland underachieving against its potential' had been 'a concern from a business perspective for quite a long while' (participant C). Auckland's ability to work together politically on a regional basis was constantly questioned. Participant G suggested: 'If there had been much more co-operation between the cities would we have made a single city come about? I suggest not.' The importance of Auckland to New Zealand's economy was seen as critical and failure wasn't an option: 'You had the [Metro] report and other reports written around the time and they say clearly; if Auckland fails, New Zealand fails...' (Participant C). However local government had limited influence on the Auckland economy with limited funding allocated towards economic development. 'So we can beat ourselves up, and certainly can around political failure, leadership or whatever but, in the end, there's a fundamental issue around a lack of funding.' (Participant J).



The sum of these views pointed towards a lack of ability in Auckland to provide a coherent approach to RED, to become an internationally competitive city-region and to play the role it needed to in the national economy.

### **Auckland needs to be an Internationally Competitive, Globally-Connected City-Region.**

The rhetoric around Auckland becoming an internationally competitive globally-connected city-region followed from the preceding assumption, that Auckland had been underperforming. The institutions and organisations within Auckland were not working in collaboration, it had infrastructure and investment issues, and yet, it was New Zealand's major chance at increasing value-added and knowledge-intensive economic activities. Another assumption, therefore, was that for the New Zealand economy to perform better Auckland needed to perform better:

I always saw the driver as needing to pay attention to Auckland's economic growth and put Auckland on the map nationally and internationally. (Participant H).

Brian Easton, a member of the GIAB<sup>72</sup> commented at the time:

So will Auckland be a gateway city or a global city? Will it just be the port and service centre for a resource-based economy? Or will it take on the vigour of a global city contributing to a richer, more dynamic, more diversified New Zealand? (Easton, 2006, p.12).

For Auckland to be a global city had economic, policy and governance implications. It also meant that central government needed to be convinced that this was a goal worth pursuing:

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<sup>72</sup> The Growth and Innovation Advisory Board (GIAB) and the Growth and Innovation Framework (GIF) were central government initiatives that supported their focus on increasing human capital in regional development for international competitiveness

I think the intention was to get some international expertise in to provide advice on what Auckland needed to do, or how it needed to change, to become a more internationally competitive city...but I also think part of the intention was how to get Wellington and central government to recognise some of the changes that may need to happen in Auckland, and for them to increase their understanding of Auckland and the issues that it faced. (Participant Q).

The question of whether Auckland needed special attention, as against other cities, was also addressed by Easton:

If Auckland is New Zealand's first global city, will there be a second? Which will it be? I can't tell, because we do not know enough about the interaction between urban centres and globalisation. What is certain, though, is that if Auckland is not our first global city, there won't be a second. (Easton, 2006, p. 12).

The Committee for Auckland, leveraging the Boston Report, the failure of the AREDS Office, the Toronto City Summit Alliance and their 'Enough Talk' report, were able to create a sense of urgency for action. In August 2006, they produced 'The Case for Auckland' in which they suggested that 'Investment in Auckland would give a greater return than anywhere else in New Zealand, and would enable Auckland to expand its contribution to the rest of the country' and even though 'Auckland's contribution to national economic output is in line with its population, it should be proportionately greater' (p.7). 'The case for Auckland', supported by the Auckland City Council's economic unit, sent a clear message to Wellington that not only was Auckland beginning to collaborate but also that the issues and opportunities outlined in the report needed to be addressed. The confluence of these messages and pressures had created a sense of urgency (participant's J, C and D).

## ***Conclusion and Summary***

Centralised policy-making and control of resources caused tensions in Auckland when the capital city was far smaller and where local government in Auckland had never had

the degree of subsidiarity enjoyed in other OECD countries (McDermott, 2012). Added to this was a regional government with narrow but cross-cutting functions and powers. Even though the ARC controlled major assets, such as the Ports of Auckland, crucial to economic development and it made important decisions regarding Auckland's growth, at times it had fractious relations with TLAs and it had less experience in RED.

New regional development policies had gained traction in regions outside the major cities. The policies had clear endogenous development underpinnings supporting regional partnerships for strategy development and MRIs. Auckland, however, required something more tailored to its context. The MRIs that had been developed were narrow and sector focussed and lacked the scale, scope and strategic thinking required for a large primate city-region and lacked attention to the [potential] contribution of Auckland to the national economy.

Aside from EDA attempts to work together on a regional basis most economic decisions that had a significant bearing on the economy in Auckland were made in Wellington. Central government, on the other hand, had to justify any extra expenditure in Auckland to the rest of New Zealand. Questions were also being raised about the specificity of central government's RED policies for Auckland. Notions of agglomeration, innovation systems and the relationships between creativity, learning, research and innovation were prompting debate in Auckland.

MRIs lacked regional support when controlled by the AREDS Office and gained traction when led by local EDAs even though they were modest in Auckland terms. The AREDS process and the AREDS Office had the unintended outcome of identifying major underlying problems within Auckland to tackle regionally significant economic

development issues. Examples of other cities doing well, with strategic public sector investment that enabled private sector investment, innovation and economic development, also suggested that a more strategic approach to Auckland's economic development was needed.

A more strategic approach to economic development in Auckland seemed logical but raised wider questions around governance. A governance approach that demanded more of a partnership between the public and private sectors, better coordination and collaboration between territorial authorities and agencies, and better coordination between Wellington and Auckland in RED policy and practice. However RED governance was in the context of an on-going [political] governance debate at a regional level.

This chapter has provided the policy and political context for MAP along with assumptions and perceptions that dominated discourse at the genesis of MAP. The next two chapters describe MAP at a high-level and a meso-level to understand the mechanism that created the change.

## **Chapter 6. The Metropolitan Auckland Project: A Catalyst for Change**

### ***Introduction***

The interventions in 2006 were pivotal to what emerged between 2006 and 2010. However, the various components, iterations and institutional arrangements, taken as a whole, over the period of the project, led to wider outcomes and catalysed change.

Davis (2005, p. 278) argued that not only does the context for an intervention need to be revealed, but also the underlying assumptions that lead to the intervention in the first place. Pederson and Reiper (2008, p.273) pointed out that for an RIE to occur in a multi-faceted high-level public project, a general analytical framework needs to be employed investigating at two levels. First at the high level where the multi-faceted nature of the project is made apparent, and second at the meso level where institutional patterns, processes and facets of the project that mediate outcomes can be identified and analysed. This chapter explores and discusses the multi-faceted nature of MAP including the original rationale, aims and objectives, stakeholder intentions and expectations, and key components.

### ***MAP Rationale, Aims and Objectives***

As previously stated MAP was an amorphous, emergent and iterative political project. However in this section the initial rationale, aims and objectives of the project are outlined starting with the original framing of the project at IPP in 2005. This provided the basis for a successful funding proposal prepared by the ARC to central government which had four major components that, in essence, outlined a process to develop an action plan for the implementation of AREDS. These became the official components of the Metro Project in 2006. The following section outlines the key components of MAP from 2006 to 2010 which demonstrates the iterative and emergent nature of the project

where, in particular, the implementation of MAP had divergent, but connected, pathways. One pathway was the implementation of the “Metro Action Plan” and the other which followed a path of addressing regional governance. Both, however, were outlined in the fifteen recommendations of the Metro Report discussed below and were seen as interdependent by the international review team.

The rationale developed at the Institute of Public Policy in 2005 was the genesis of MAP. It suggested three primary levels of engagement; identifying barriers and opportunities for local and regional economic development, Auckland’s role in the national economy and becoming a world class city-region:

- i. ‘At a regional level it centres on ‘barriers’ to and ‘opportunities’ for local and regional development with particular emphasis on the economic drivers, the business base and productivity and on the relationship between the changing demographic profile of the region, industry sectors, the labour market and the region’s social and physical environment, including infrastructure and utilities.
- ii. In national terms MAP will examine Auckland’s role and performance as New Zealand’s main commercial centre. It implies an inwards focus in that it will concentrate on initiatives that are capable of advancing Auckland’s contribution to the national economy with emphasis likely to centre on resources and capacity, technology and communications, as well as the potential of regional institutions to add value, the essence of the knowledge economy.
- iii. The third level of engagement and action stems from an outwards focus with particular emphasis on the competitive advantages of Auckland in the global economy. One element of the outwards focus concerns the way in which Auckland measures up in comparative terms with other leading metropolitan regions across the OECD but equally important is the way in which Auckland is

able to develop its own distinctive attributes and characteristics as an economic hub and world-class city-region.’ (Source: IPP internal memo and correspondence, 2005).

This was designed to be an endogenous RED approach looking to build on inherent strengths and capacities to take advantage of global flows of information and trade, but also to deal with asymmetries of information by bringing together a local evidence base and experience to be reviewed and compared to international evidence and experience; hence the notion of an international review team. It also focussed on the role of Auckland in the national economy endeavouring to leverage endogenous resources – social, cultural, institutional, environmental and economic.

This rationale struck a chord with both the ARC and the Committee for Auckland (CfA) for different reasons. The ARC saw it as a way to ‘provide the structure and direction for implementation of AREDS’ (ARC, 2005b, p.8), and CfA as a way to further the issues raised by Competitive Auckland (2002) around governance and the establishment of an RDA to increase Auckland’s international competitiveness.

These three organisations formed the basis of the MAP partnership and broadly represented what IPP saw as a triple helix form of governance representing government, academia and the private sector. They each brought significant networks and partnerships to the project. NZTE became members of the MAP governance group as the project gained central government funding. An RPP Strategy Funding Application titled ‘Building a World Class City-Region – The Metro Auckland Project’ was sent to NZTE in November 2005. The rationale had advanced to take account of partner

objectives and to try to ensure that local understanding and expertise was matched with international experience:

The aim of the Metro Auckland Project is to harness local, regional and international expertise to produce an action plan that will move the Auckland region closer to its full potential as a world-class city-region. The project is designed to grow productivity and improve living standards in accordance with the AREDS vision and the Government's Growth and Innovation Framework, thereby reducing the current gap between Auckland and our international competitors such as Brisbane, Sydney, Melbourne and Adelaide. (ARC, 2005b, p.9).

The document also recognised that Auckland was underperforming stating that:

Despite the significance of Auckland as the main commercial and metropolitan centre of New Zealand, substantial evidence was produced during the development phase of AREDS to suggest that the region was not achieving its potential. (ibid, p. 10).

MAP in its inception therefore comprised four major components:

- i. **An OECD Review** – A LEED/OECD<sup>73</sup> assessment of economic development in March / April 2006, building on regional work-streams and aimed at providing an action plan with international benchmarks and comparative examples of 'best practice'.
- ii. **Background evidence and information** –Working papers prepared providing background information on: the region's demographic profile and population projections; the economic performance of the region with particular emphasis on economic drivers and trends; and an overview of the social, cultural and political environment which shapes the RED strategy.
- iii. **Regional work-streams** - A regional process engaging business, industry and community leaders in a work programme, in preparation for the OECD review.

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<sup>73</sup> The team later became known as the 'international review team' as NZTE preferred a different forum within the OECD (The Territorial Development directorate) to perform the review, rather than the LEED programme. As NZTE were significant funders there was considerable pressure to change. The outcome was that Greg Clark, Chair of the Forum on Cities and Regions aligned with the LEED programme formed and led an international review team in his own capacity.



These regional work streams will concentrate on three key areas of productivity: people and skills development; regional capability and business capability.<sup>74</sup>

- iv. **A Regional Symposium** - on Auckland centred on the theme of 'Building a world class city/region' aimed at bringing together the various work streams and the OECD review. The Symposium was planned to take place in the week following the OECD review. It was to contribute to an Action Plan and with priorities for the Auckland RED Forum. (ibid).

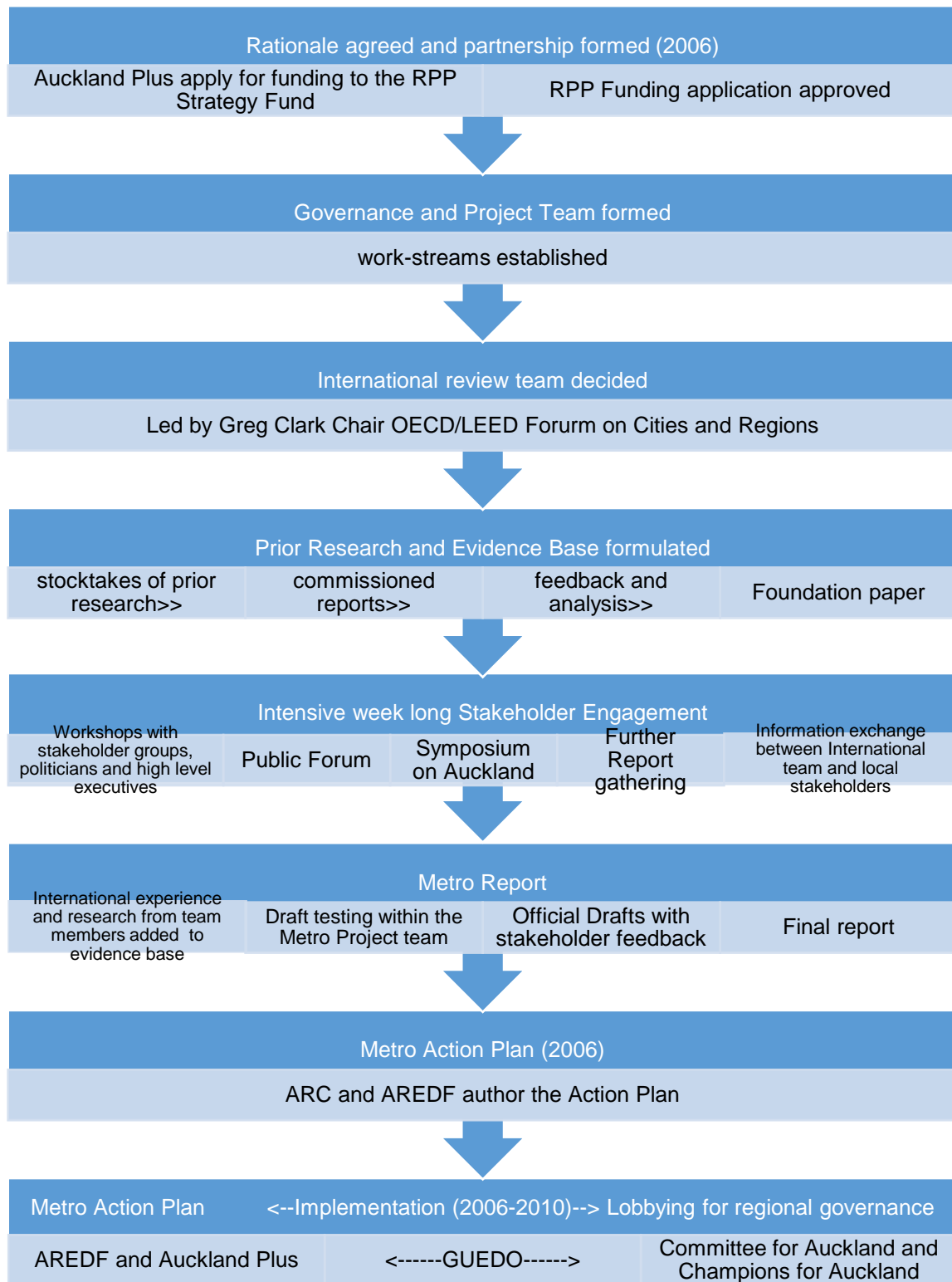
Partners worked together and took the lead in various components. IPP led on the development of the international team, engagement with local stakeholders and the International Team's report, building on its partnership with LEED and connections with Greg Clark. ARC led on collating background evidence and forming regional work-streams and CfA led on the Symposium. All partners contributed to building the evidence base and we were privy to the research. Each partner drew on their relative strengths, networks and capability to deliver their contribution. Regular Metro project team meetings were held during 2006.

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<sup>74</sup> A focus consistent with projects being undertaken by government departments and national priorities identified in the Growth and Innovation Framework.

## ***Key Components***

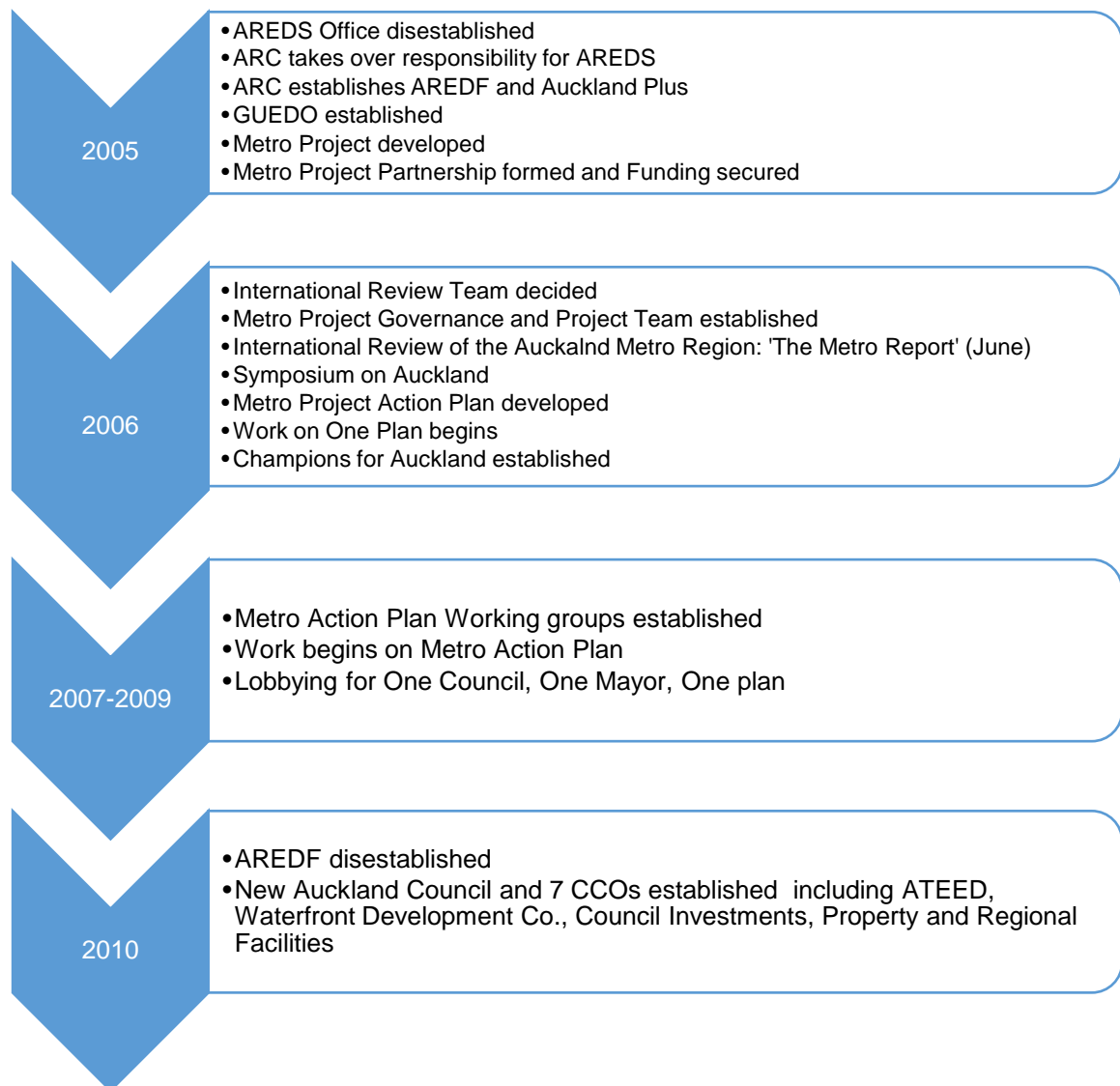
(Dalkin et al. 2015 p. 2) explain that a critical realist approach to social change would support the notion that ‘structures shape actions, which shape structure, which shape actions, and so on.’ Figure 10 below represents the key components of MAP as it emerged post the initial framing of the project in 2005. As can be seen after the Action Plan had been developed two separate but aligned groups addressed different issues and a number of new institutional arrangements had been or were being developed. AREDF took charge of economic development interventions outlined in the Action Plan. The Champions for Auckland took it upon themselves to promote those recommendations in the Metro Report that were politically challenging for a government organisation to influence such as the governance of Auckland. GUEDO, a newly formed cross-sector central government agency in Auckland, played a role in mediating between these two aligned but separate aims and in the relationship, communications and information exchange between Auckland and Wellington.



**Figure 10 Key Components of the Metro Project from 2005-2010**

## Timeline

The timeline below provides some understanding of the process, with concerted efforts leading up to and including the key intervention; the Metro Report. Activities post the report tended to diverge between those actions that AREDF and Auckland Plus could attempt (economic development) and those that required mandates greater than their remit (governance of Auckland). However, as was revealed in the case study, this did not deter any group from forming opinions on either subject.



**Figure 11 The Metro Project Timeline and Key Milestones**

## Evidence Base

The evidence base for RED in Auckland had been pocketed, ad hoc and institutionally driven, which led to a situation where different groupings had different evidence to work from with a lack of a common evidence base. Compiling an evidence base for the international team in preparation for the review became a priority in early 2006 and it provided an opportunity to synthesise reports and research into a regional overview. It also provided the opportunity to apply some intellectual rigour and independent advice:

Bringing the right people together and putting some intellectual rigour around the thinking. I feel very positive about the Metro project. I think it did do that. I really liked it that there was an intellectual side to it and really good discussion and debate on the bigger picture issues and it helped lift the councils out of the “what’s happening in my patch” viewpoint. (Participant H).

I think it was, there was a strong theoretical basis and so in that respect and we had a really good group of advisors at the research face and Greg Clark so altogether I think that group just brought a lot of solidity to the project. (Participant T).

The economic development manager at the ARC was charged with assembling the evidence-base. She commissioned twelve reports over and above stocktakes of previous research undertaken by the partnership, TLAs and GUEDO. Effort was taken to ensure that there was depth and breadth built into the process (participant O).

The context for assembling evidence was the central government policies from the ETA, GIF and RPP. It was assembled around three work-streams; Human capital and skills, regional capability, and business capability. These were to culminate in a synthesis of the twelve reports in the ‘Metropolitan Auckland Project: Foundation

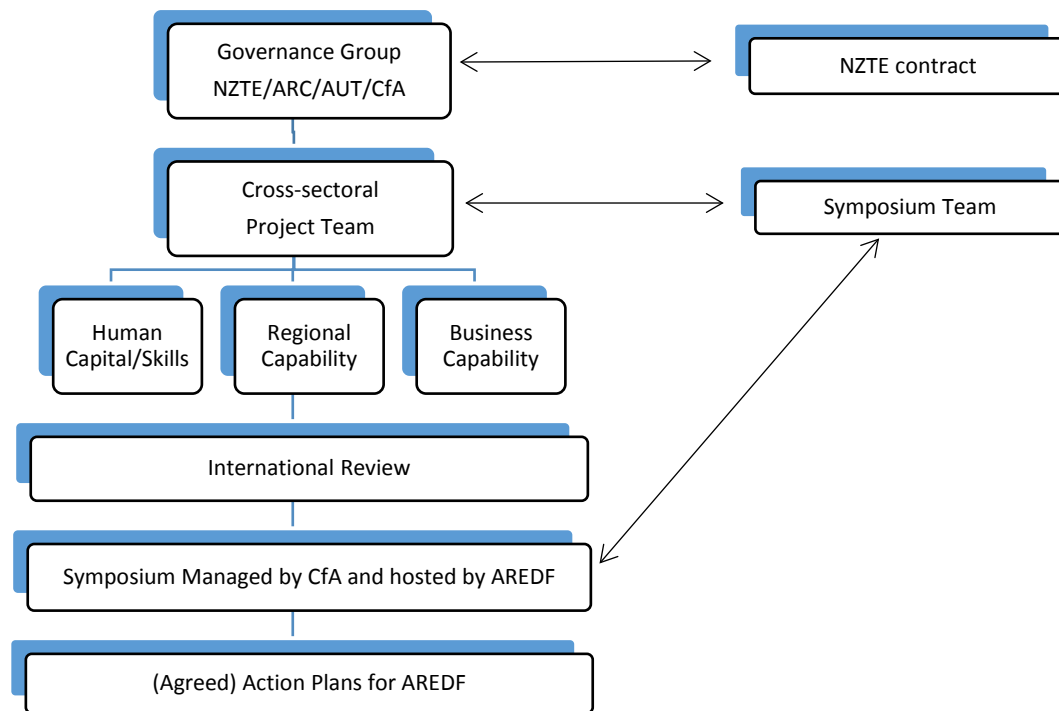
Paper' prepared by Ascari Partners in April 2006<sup>75</sup> which was a challenging task. Professor Ian Shirley, for example, said 'If it was an attempt to synthesise previous work, then it was either badly done or the twelve papers have not measured up to the task. I suspect it was a combination of the two.' He went on to say that 'The fundamental problem with the ASCARI paper is that it is essentially reductionist,' providing a 'superficial snapshot of economic development in New Zealand at a particular point of historical time...' (Shirley, 2006). It was subsequently decided that the Ascari report be regarded as another working paper and not a summary of the previous twelve reports. It had provided insight into Auckland's issues but was not considered a comprehensive summary demonstrating the size and complexity of the task.

## **Metro Project Governance**

Initial governance over the RPP funded components of MAP in 2006 took shape as in figure 12 below. This process was overtaken in late 2006 as the Action Plan was developed, in essence completing the outputs of the initial intervention.

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<sup>75</sup> Significant research was both assembled and undertaken for the Metropolitan Auckland project team. Examples include Le Heron and McDermott (2006) 'Productivity Issues in the Regional Economy: A Framework for Auckland's Economic Development'; Cranleigh Strategic (2006) 'Auckland Facilities Infrastructure: Background Report for MAP International Team'; Sinclair (2006) 'Immigration Policy Analysis: policy context and migration trends for the Auckland Region' and Covec (2006) 'Transport, Energy and Land Use: Issues for Auckland.'



**Figure 12. Metro Project Governance Group.**  
(Source: ARC, 2005b).

## International Review Team

From the inception of the rationale for MAP, IPP was insistent that there needed to be an intervention that brought international expertise to the task, which we believed was the only way to break down some of the institutional barriers and focus on the higher order goals as we saw them. We were also keen to ensure that any international expertise was engaged in an intensive information exchange with local stakeholders and local research so as to avoid superficial engagement and as participant H stated it became an instrumental component of the overall project:

I felt that the intellectual side and debate, and the international team which you were part of as the New Zealand representative, was absolutely instrumental in that it was like a focal point. I remember my manager at the time kept describing it as the OECD team and I knew it wasn't the OECD team but it was so great that he'd clicked into economics...then the fact that Greg, in particular, kept an on-going relationship with the region was very important - not here one day and gone the next. (Participant H).

The IPP were keen to ensure that the international team led by Greg Clark assembled expertise, both academic and professional, that aligned with the aims of the project but that was also guided by local expertise and understanding of the local context; which became my role in the team. The team, therefore, comprised a mix of international experience (see Appendix 3) adapted to the task but also provided an independent view:

When you look at the ongoing influence that that group had, the perspective that they brought, a truly independent perspective. They were lobbied like hell and actually delivered, what I think was, for having spent a week here, a report that gave real insight and clarity in advice; it was thoroughly worthwhile. (Participant L).

When asked whether this particular aspect of the project was worthwhile when trying to achieve significant change for a growing city-region participant P had this to say:

I don't think there was any other way of doing it... what it reflected was there was a certain restlessness in Auckland not only because of the lawsuits against one another<sup>76</sup> but because Auckland was the natural place in New Zealand that was going to grow so much. The rest, Wellington, Dunedin, yeah sure, but we could see another million people come into Auckland and so was the planning done, was the centralised thinking there? It wasn't. So I don't know how else you could have done this. (Participant P).

In summary the international team provided independence in a politically charged and contested regional context. Part of the credibility of the advice given to regional stakeholders in the Metro Report, however, depended on engagement with local stakeholders.

## **Engagement**

A week-long stakeholder engagement timetable (Appendix 4) was designed to provide an intensive and robust exchange between the review team and regional stakeholders. It

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<sup>76</sup> In reference to the discovery process during the transition process where it was found that councils had many legal disputes against one another



allowed the team to understand local nuances and issues and to test what they had read in the evidence presented to them prior to engagement. It also provided an opportunity for local stakeholders to test the assumptions of the project and reflect on international experience that related to their contexts. The team was highly regarded by stakeholders with meaningful exchanges of information and perspectives and some believed that the process was as important as the outcome:

I think the notion of the international team and the quality of that team, its leadership and membership, was outstanding. I think that [engagement] week was quite a pivotal moment in Auckland's history, actually. I don't think it's exaggerating to say that... Everyone I think could have come away from that week feeling they had been heard and that their perspectives were understood. There was time taken to understand their perspectives and they were acknowledged and respected, not necessarily taken on board because the focus of that group was for 'the greater good'. If they equally pleased and displeased people they would have got it about right. (Participant L).

... so it excited people and they were very high calibre people. What was great about them was that they acknowledged the councils, we were only certain players but we were important players and they spent time with each of the councils visiting their area... I was able to get them in front of our whole senior management team with the chief executive... high calibre, good debate... sometimes the process in these things can be just as important as the outcome. (Participant H).

Part of the week of engagement was a public forum hosted by AUT and run by IPP and ACC entitled "Making Cities Work" which was well attended. The keynote speaker was Sergio Arzeni, the then director of the LEED programme within the OECD. Other speaking engagements were arranged with the media during the week with Greg Clark speaking on behalf of the international review team on national television and radio. These engagements were by design. Another significant part of the week was the Symposium on Auckland, which brought together key leaders across Auckland, from different sectors and central government.

## Symposium on Auckland

The Symposium on Auckland was a key event during the week of engagement and had strong support from participants as an effective intervention. It was also a chance for the partnership to work together on an event with different partners playing different roles and bringing different networks. It also created momentum:

...for me, the highlight was, without doubt, the symposium that we collectively organised. Each of us had a really important part to play in that. Clearly, Committee for Auckland brought the audience because of their relationships with some of the significant business players in Auckland was really important. (Participant F).

The other learning out of it I think is that if you use a call to action like this, albeit not explicit, by getting those sorts of people together in one room, you can build extraordinary momentum. So there are some explicit outcomes, but one could argue that the most important outcome could not be subdued (referring to Auckland's governance). It was the process that actually provided the momentum for that catalytic change. So, explicitly they were hamstrung, but implicitly you weren't going to stop the force.... (Participant N).

A professionally facilitated process<sup>77</sup> gave a cross section of leaders (government at all levels, business, academic, NGOs) the opportunity to surface what they believed were the key issues facing, and opportunities available to, Auckland arising from the draft Metro Report. It also provided an opportunity for Wellington officials to be exposed to local stakeholders in a robust exchange of views:

I think the symposium produced some really good thinking. It was excellent to have those civic leaders all sitting round together, having to debate and discuss things. (Participant R).

When we had that Symposium, there was very good representation from central government officials there. To get them coming up to Auckland like that was quite unique at that point in time. (Participant H).

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<sup>77</sup> See <http://essentiaconsulting.co.nz/about-us-2/>

I think it's always quite good doing those things where you can get senior people in a place at the same time to talk about the issues and focus in on Auckland like they did with the symposium... Ground-truthing things with international experts providing insight, and having the right international experts that will be respected by central government and local government certainly helps when we as officials are trying to tell a story and get the evidence to back it up down in Wellington. (Participant Q).

An important component of the symposium was the “hats off at the door” approach to discussions emphasising safety to speak, partnership and gaining high-level agreement on actions. The Symposium was facilitated using the ‘four seasons’ facilitation process (discussed further in chapter 6). Seating was purposely determined to bring different actors together to join up thinking and gain different perspectives:

I think getting the key partners involved... it's like standard textbook stuff now, the fact that you had that big meeting [referring to the Symposium] and the fact that I could sit down with three multi-millionaires and a Mayor and I was a mere public servant from Wellington. (Participant I).

I don't see that it was by accident, actually. I think it was a lot of good thinking, good design. I do think methodologically it was a good process. Even just the small things like the training of the facilitators at the session were done together. Government did some of it. Even that, I thought, oh, this is good. (Participant O).

The process allowed and produced high-level thinking about the governance of Auckland:

What was realised was that in that room was that there was a determination by everybody that we were going to tackle Auckland's governance head on. We wanted to get it sorted. That was the light-on moment. (Participant D).

My table, looking back on it, was really ironic. You had the Vice-Chancellor of the university sitting next to the Chief Executive of Auckland City. We were talking about infrastructure, I can remember, and they basically said the only thing they'll ever do to sort out Auckland is to amalgamate local government. (Participant R).

The ‘light-on’ moment about the governance of Auckland, however, presented a severe challenge to those with an interest in that outcome, not the least of which were the seven TLA Mayors. But the Symposium environment had provided an opportunity for free and frank discussion across sectors which led to an extraordinary outcome:

...so what really was the most *remarkable* [emphasised] thing about that Metro Project was when the three Mayors ... the three of them said this makes sense. It was that discussion and those three Mayors, and Barry [Curtis] who wasn’t there at the time, who went down to Prime Minister Helen Clark and said we should amalgamate. (Participant N).

Private sector leaders also related that they felt they were ‘in the tent for a change’ (participant D) and government felt as a result of Auckland business, political and academic leaders being in the room that politicians and high-level officials needed to take notice of what was happening. The Metro Partnership had provided the basis for open debate:

...but I’d like to reinforce again that it was successful because the other parties were open to its views. We were not a voice in the wilderness, we became a partner in the thinking. So, going back to your question about the partnership concept, I think that sort of openness without any attempt to muzzle thinking was a reason that we all felt that we were partners within the system. (Participant G).

Four major unifying themes came out of the symposium captured in mind maps (Appendix 7) that affirmed the draft Metro Report and provided a blueprint for Auckland’s development. The mind maps were circulated to all who attended the symposium and fed back into the Metro Report. The four themes had connections to groupings of actions that the symposium believed were the key mechanisms for change, these were:

- i. Maximising the RWC 2011
  - a. Involving all of New Zealand
  - b. A New Zealand Expo

- c. Bold transport initiatives
  - d. Funding and legislative fast-tracking
  - e. Other events (to follow the RWC)
  - f. A clear post-2011 programme
  - g. Meaningful legacy
- ii. Resolve Auckland skills shortages
  - a. Skills shortages and mismatches
  - b. Supporting our education sector
  - c. Enabling lifelong learning/ transition
  - d. Cohesive Auckland leadership and marketing
  - e. Business – skills – education connections
- iii. Delivering infrastructure for a world class city-region
  - a. Amalgamation / Metropolitan Governance
  - b. One Plan
  - c. Central government/ Auckland Relationship (partnership with Wellington)
  - d. Legislation
  - e. Funding (innovative funding mechanisms)
  - f. Business involvement
  - g. Deliver Infrastructure (a mix of infrastructure, transport and urban design including waterfront and CBD projects)
  - h. Communication (including Brand Auckland and long term prospectus)
- iv. Building Business Capability and Innovation in a Global Context
  - a. Centres of excellence
  - b. Funding for innovation
  - c. Leadership (vision, business voice and president for Auckland)

- d. One Plan (to include an innovation plan)
- e. Share knowledge (to create an innovative culture and to market Auckland; relates to knowledge infrastructure and regional innovation system recommendations in the Metro Report)

Among other decisions the forthcoming Rugby World Cup in 2011 was seen as an opportunity to catalyse regional efforts and build momentum for other work-streams.

### ***International Review of the Auckland Metro-Region: The Metro Report.***

Building on all of these inputs the international team drafted and tested the Metro Report with the project team and partners. The final report had fifteen high-level recommendations intended to form the basis for the development of the Metro Action Plan. The final draft report was well-received by the partners and stakeholders:

I remember Sir Ron<sup>78</sup> sitting and reading it, saying “this is one of the better pieces of work I’ve seen.” (Participant D).

However the ARC had a number of changes that they wanted in the final report and moved quickly to producing and launching the Metro Action Plan. A discussion and analysis of each the fifteen recommendations follows with an added comment from the report on the integrated nature of the recommendations.

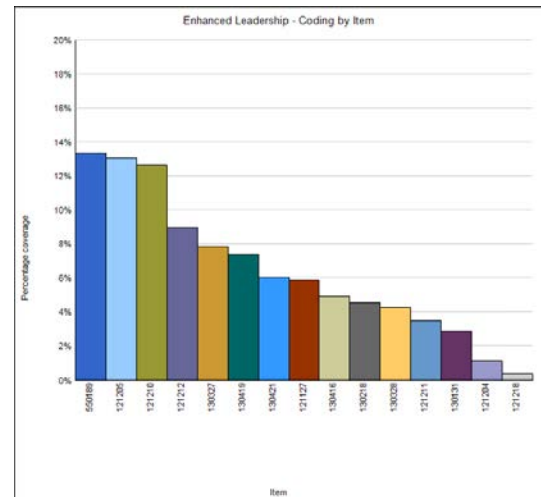
### **An Enhanced Leadership Commission for Auckland:**

‘Auckland needs the leadership skills of local and regional councils to join with leaders from the national government, the business sector, and community and civic organisations in order to become one voice and one champion group for the region.’ (Clark et al., 2006, pp. 5, 6).

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<sup>78</sup> Sir Ron Carter was a well-known businessman in Auckland the Chairman of Beca Group and serving on a number of high profile boards. He was also chairman of CfA, at the time.

This recommendation (see Appendix 8 for full recommendation) was supported by fifteen participants as providing the catalyst for wider considerations of governance. Figure 13 displays the breadth and depth of primary research input into this node with fifteen respondents (x axis) providing a total of 53 references (y axis).<sup>79</sup> Being one of the authors of the Metro Report I was privy to



**Figure 13 Enhanced Leadership Node by Source**

the framing of this recommendation. The abiding conclusion amongst the international review team at the time was that without governance changes Auckland was too fractured to take a comprehensive regional approach to economic development, and, therefore, all the other recommendations would be less effective if this recommendation did not gain traction. Hence, this was the first recommendation. Otgaar et al. (2008) supported the notion that metropolitan governance can be achieved through creating vertical and horizontal linkages and innovative governance arrangements. However, in the political and institutional context of Auckland in 2006 this was unlikely in the view of the international team.<sup>80</sup> The heading was innocuous, but the text in the report went further, so much so that when the ARC announced the MAP Action Plan this recommendation had mysteriously dropped off as Herald commentator Brian Rudman observed:

...intriguingly, the first of the international review team's 15 key recommendations has mysteriously dropped off the press release.

<sup>79</sup> References are represented in Figure 13 by the percentage of participant text dedicated to the node. References are not necessarily discrete as some parts of text and references could apply to more than one node

<sup>80</sup> Greg Clark, soon after we released the report, relayed to me (paraphrased) 'don't think that the first iteration of governance arrangements will be the last; they will evolve...'

I guess it could have been an accident, but being of a suspicious bent I suspect it's more likely it's been shelved in the "if we ignore it, it might go away" basket.

This is the recommendation for "an enhanced leadership commission for Auckland", a proposal that has already had anxious local politicians dashing for their smelling salts.

The international team highlighted "the functional interdependence of the various parts of the metropolitan region" and the need "to build a leadership function for the region as a whole (either through collaboration or through reform of governance, or both) to articulate a vision for the region and to be accountable for efforts to achieve that vision".

It says the region must address coordination and integration failures, and that "major governance reform" may be necessary. (Rudman, 2006, July)

With the report not going as far as suggesting a new form of governance, preferring to frame it as a 'leadership commission', it set in train a series of debates, reports and opinions focused on the governance of Auckland:

The Metro Report suggested a more unified governance structure in Auckland. Clearly, it didn't go as far as the specifics around what the one council might be but definitely, what came through strongly was the need for a region-wide focus when it came to the economy, and a recognition that we didn't have good strategic decision-making going on because of the fragmented governance structure. We didn't have much authority or power at the regional level, or respect of the regional council's role, so we had a vacuum when it came to region-wide decision-making, despite the many mechanisms that officers worked together on that could be collaborative. But at the end of the day you would always go back to political masters, and despite things like the CE Forum and the Mayoral Forum, there still wasn't the authoritative voice to make some of those hard decisions about Auckland. (Participant H).

In these respects, both AREDF (ARC) and the Champions for Auckland attempted to have an inclusive leadership model. However, the team also knew that one enhanced leadership group would be extremely difficult to achieve and that, probably, wider governance reform would eventually be required. As participant J put it 'It needed to, for all intents and purposes, that failure of political leadership was at the crux of it.' The ARC created AREDF in the immediate lead up to MAP and CfA created the non-government 'Champions for Auckland' group post the delivery of the Metro Report.



These events were the beginning of divergent pathways, as the two groups had little to do with one another post the Metro Report. Nonetheless, the seeds for a more cohesive approach to metropolitan governance and economic development in Auckland were sewn. Central government reserved judgement on governance but encouraged Auckland stakeholders to take advantage of the suggestions in the report and build a more cohesive approach. The then Minister of Finance, Michael Cullen, and Helensville MP John Key provided their opinions:

Dr Cullen suggested people wait for the final report from the Metro Project on Auckland's future and the conclusion of its team of overseas experts that Auckland needed "major governance reform" if it was to become a world-class city-region.

"The Metro document may provide ways in which we can think about it in a fashion that doesn't frighten everybody."

Mr Key said local government reform would be "very difficult" to drive.

The Helensville MP said he had three local authorities in his electorate and sometimes it was not possible for them to work together on issues such as roading.

"My personal view is that if we want to progress Auckland fast enough, we need a much more robust decision-making process.

"It is very difficult to achieve that when you have so many stakeholders around the table," he said. (Orsman, 2006, August 9).

The Royal Commission on Auckland Governance was announced in July 2007.

### **One Plan for Auckland:**

‘...This plan should integrate infrastructure, planning, land use, energy, economic development, environment, social and cultural dimensions as a single vision and purpose for the region...’ (Clark et al., 2006, pp. 5, 6).

One Plan for Auckland was the second key recommendation of the Metro Report intended to provide a ‘commitment to building and using a single strategic planning framework for Metro Auckland...’ This became an important mechanism for three reasons. First it started a concerted planning effort amongst councils and council

officers to work towards one plan for the region, and it gave Councils a mandate (greater than economic development) to work on.

Second, 'one plan for Auckland' created a narrative that was often repeated in the media in a deliberate summation of 'a single vision, single evidence base and single time frame' with 'infrastructure, planning, land use, energy, economic development, environment, social and cultural dimensions as a single purpose and vision for the region' in the Metro Report (Clark et al., 2006, pp. 5, 6.). This narrative was also of interest to the business sector and the Committee for Auckland as it supported the need for 'integrated' leadership (governance) and planning. A criticism of local government at the time was that each TLA had its own set of rules around developments creating artificial boundaries and unnecessary impediments to development.

Third, in concert with recommendation one, the ability to implement one plan would naturally require 'one body to oversee long-term development' (ibid).

There was strong support amongst participants that this recommendation was highly influential through various iterations and processes, including the START process led by ARC trying to build a 50 year sustainable development plan that looked to incorporate AREDS, the Metro Report and Action Plan:

... I don't think that people in local government, in the higher echelons, took the [Metro] project too seriously until we got that symposium with business, and then they heard the noise from that group and then thought something big is happening here! But before that, they thought it was like a little action planning on the side and the long-term sustainability plan was the big thing... (participant T).

That's right, fifty years was a longer time horizon, but it was like another group of people got involved, and I didn't get as heavily involved in those processes as the Metro. I did sometimes feel there was a dismissive attitude

towards economics and the Metro, when it was a broad way of thinking about the economy. (Participant H).

Participant H also thought upon reflection that the START process became an unnecessary distraction:

We did the Metro project, and there was a lot of momentum and... we started getting the sustainability framework and one plan... For me, it was almost like we'd reached this great point with Metro... still more work to do, and it almost took the attention away from Metro... and, as a region, why did we? I reflect back now, why did we do that when we had a plan... you have to have quite a holistic approach to be able to achieve those economic outcomes. It's not purely about exporting, there's a lot about social cohesion, skill development, etcetera, and yet we said, ok, Metro, here you go and do your actions, we've got these much broader things now... I wonder if we lost something as a region because of our focus on these other things... (Participant H).

There was also the feeling that the ARC took the notion of One Plan and turned it into another drawn out planning process; 'I remember it being taken over by the ARC at the time. I remember it very well, and I kept right out of it.' (Participant P).

START, however, did not have the stakeholder buy-in that MAP had, being largely developed by the regional council, but it did contribute to a more widespread acceptance that Auckland needed a spatial plan. A further collaborative process was undertaken to develop One Plan for Auckland in a cross-council working group. This work, in turn, provided the basis for the development of the Auckland Spatial Plan. The idea that there should be an Auckland Spatial Plan was accepted and written into the Local Government (Auckland Council) Act 2009. Subsequent work on the Auckland Spatial Plan became known as "The Auckland Plan", a document with wider strategic functionality than a spatial planning document, and one that would become Auckland's high-level strategic document which made it easier for the new Auckland Council in 2010 to develop the plan:

The idea of one plan got picked up by the regional councils, and a lot of work was done on an Auckland Plan leading into the transition process. So, the new

Auckland Council, they've managed to deliver the Auckland Plan within eighteen months, a piece of work that would normally take three to five years to do. I suspect that the reason it was able to be delivered so quickly was all the preliminary work that was done leading into transition, and you'll recall that the councils were regularly meeting to talk about how we could get better integration between the various district plans throughout the region. (Participant F).

## **An Investment Prospectus for Auckland:**

Arising from the Action Plan will be 8-12 key interventions that require investment beyond what the public finance regime is currently delivering... A single prospectus should be drawn up identifying preferred financial mechanisms for each, including local and regional taxation, national public finance, commercial and institutional finance and other financial innovations... (Clark et al., 2006, pp. 5, 6).

The investment prospectus recommendation was designed to bring large investment opportunities together in one place with the intention of exploring innovative funding mechanisms, particularly in light of funding challenges previously encountered. However, preparing a "prospectus" for large investments on a regional scale had not been done before, was not well understood, and entailed new ways of working together in local government and with the private sector. Stakeholders understood the intention but were unsure what an investment prospectus might look like, how to go about it, and who should be involved. Some thought it was impossible to do with prospective investments needing different funding mechanisms such as bonds, bulk funding from central government devolved to Auckland, private capital or public/private partnership instruments. With projects at varying stages with varying investment needs, it was thought that one prospectus would be hard to achieve. Some thought it was just nutty:

...and I know what the big idea behind the 'investment prospectus' was, which is how you think about ways to fund things. The idea of a single prospectus I thought was nutty... (Participant K).

Others thought that this was the job of a REDA: 'an investment prospectus for Auckland well, of course, that's the CCO addressing that issue...' (Participant P). Still others that

it was simply that the public sector needed to provide the right signals through their strategies and plans to the private sector to leverage private sector investment:

...the Mayor has recently announced some fairly significant investment around the waterfront, and that's because the private sector now sees a clear, coherent plan for infrastructure and transport and other areas. So it has provided that high-level statement that the private sector needs regarding where Auckland public sector is going to invest for them to make some private sector investment decisions. (Participant F).

Another group thought that an investment prospectus either had to have more control over public sector investment decisions in Auckland or needed to gain agreement and partnership with central government as it had significant control over public sector investment decisions in Auckland:

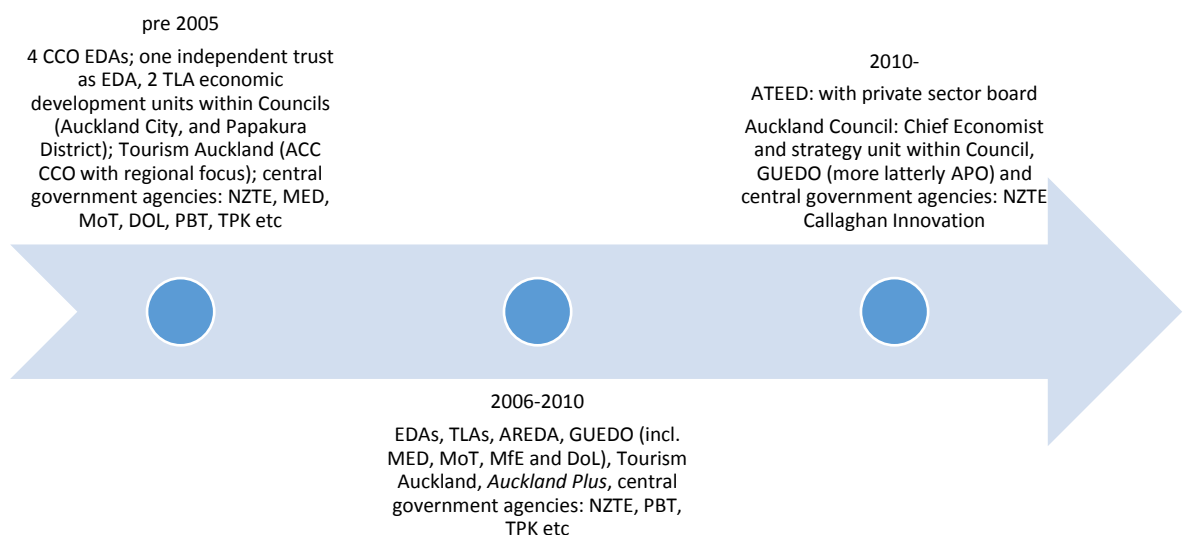
The investment prospectus was very much tangled with central government's aims, with Auckland being a large part of the economy, and some of the investment in Auckland is by the government. So, at a third of the nation's population its economic significance was inevitably going to be something led by central government... [Therefore] providing a single financial plan, we [Auckland stakeholders] couldn't decide that alone because it requires so much central government involvement. (Participant G).

The overarching response from participants was that this recommendation failed. It failed to provide a single prospectus of regionally significant projects, failed to commit central government to key projects, and failed to provide innovative funding mechanisms to support investment.

## **A Jointly Owned Regional Development Organisation to Deliver Major Projects:**

...A regional development organisation, which is jointly owned with participative governance, should be established to help drive major projects and interventions in a dedicated manner... (Clark et al., 2006, pp. 5, 6).

This recommendation was intended to provide a delivery mechanism of scale for Auckland to ‘drive major projects and interventions in a dedicated manner.’ Being ‘jointly owned’ followed new regionalist notions of ‘participative governance’ to form a new institution that built on the momentum that the ‘main partners in Auckland’ had begun. (Clark et al., 2006, p. 5). Broadly participants believed that ATEED was the outcome sought by this recommendation and that one could trace the developments heading towards this over time. Figure 14 describes the public sector journey to a REDA in Auckland.



**Figure 14. Journey to a Regional Economic Development Agency for Auckland**

A new REDA for Auckland was not a new idea; CfA and before them CA and BCG had recommended this for Auckland. However, as the Metro Report was seen as an independent report it gave the idea legitimacy. It was thought that it would provide the opportunity for strategic alignment and an integrated approach to RED delivery in Auckland and other regions:

If MAP’s outcome was one economic development agency for the region, then absolutely that should be rolled out in other parts of New Zealand where there are multiple economic development agencies all with their agendas, not

necessarily working towards one common goal for that region or even aligned with New Zealand's economic development strategy. (Participant A).

Even the previous regional tourism agency, Tourism Auckland, which had much to lose through any amalgamation, saw benefits in being part of a larger REDA in the lead up to amalgamation:

Tourism Auckland is supportive of the Bill [to form the Auckland Council] because it remedies key problems with Auckland's existing governance structure. The formation of an Auckland Council is a positive step forward for the Auckland region and a positive step forward for tourism in Auckland and New Zealand. (Osborne, G. 2009).

However the notion of 'jointly owned' left some questioning exactly what that meant and there was no specific recommendation in the report of a governance model that might achieve stronger involvement of the private and academic sectors in RED decisions. However, Greg Clark in a follow-up report on the 'Strengthening Auckland's Governance' wrote:

*Horizontal collaboration* at the local level is important, but so too is *vertical collaboration*, especially the alignment of efforts between governments at different spatial scales, and better integration of efforts between departments and ministries of governments at the same spatial scale. (Clark, 2006b, p.6).

Some believed that ATEED as a CCO with a private sector board was the best model, others that the funding and governance arrangements, particularly over strategy should be more equally assigned, still others that the complexities of jointly owned REDAs were difficult to manage:

... Jointly owned by whom, I wonder, now. Jointly owned by the main partners in Auckland? That needs more definition to develop that from a statement into something that's easier to understand... This is champions, I suppose, we've watched it done in other cities. I can recall Melbourne where, I think Brisbane's also achieved this, they've managed to get respected outspoken leaders promoting this concept. Whether that comes through a jointly-owned capable regional development organisation, I think it's a bit too complex to address in that way. (Participant G).

The international team's intent, however, is better illustrated below in Table 4 where there is a shift to 'Sub-national governance arrangements' including 'Multiple levels of governments' and 'private/civic actors'.

**Table 4 From Traditional to New Regional Policies for Development**

	<b>Traditional Regional Policies</b>	<b>New Regional Policies</b>
	'Regional Planning' The 1950s to 1990s	'Territorial Development' The 1980s to present
<b>Objectives</b>	Balance national economies by compensating for disparities	Increasing regional development performance.
<b>Strategies</b>	Sectoral approach	Integrated development programmes and projects.
<b>Geographical focus</b>	Political regions	Economic regions (Metropolitan Regions).
<b>Target</b>	Lagging regions	All regions
<b>Context</b>	National economy	International economy
<b>Tools</b>	Subsidies, incentives, state aids, and regulations.  Ministries.	Assets, and drivers of growth, soft and hard infrastructures.  Sub-national governance arrangements.
<b>Actors</b>	National governments	Multiple levels of governments and private/civic actors

(Source: OECD, 2005, Pezinni, cited in Clark, 2006b p. 5)



To create a jointly owned RDA meant that an agency needed to build form around function and govern with a mix of actors. It also meant that the funding, legal structure and possibly shareholding of the REDA needed to be worked through and that whatever from it would take would be flexible and responsive:

... The central government is in conflict with that, business is thinking about their rates and that it's going to cost you, so you still haven't got the leadership model that you need to implement what was required. It's a huge Queen Mary [bureaucratic] and you need a catamaran [responsive]. (Participant S)

Thought needed to be given, once you moved to a single REDA and one council, about how to keep previous relationships and projects initiated at the local level going (vertical integration) and how they might contribute to wider regional efforts. Local economic development had been downgraded to be subservient to a larger more powerful REDA, an issue that is common when REDAs are established:

Depending on where the CE and the Board see, and value, the role of "local" will influence whether it's effective or not, and from a governance point of view, unlike political governance, economic development governance doesn't have someone going in to bat for local ED. So, they've got mid-level managers, not CEs, at the local level who are tier three within the organisation. That's the local economic development voice. It's never going to be as it was when you had the Brian Moggridges<sup>81</sup> of this world going in to bat with the Minister of Economic Development for what Waitakere needed. (Participant L).

Lastly, it was thought that without more of a partnership model for the governance of RED, the bounded rationality of council policy and strategy units would drive RED focus and efforts, especially if the council fully funded the REDA. In other words, flexibility and the ability to provide an integrated approach to economic development programmes and investment in Auckland would continue to be difficult.

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<sup>81</sup> A business leader, member of CfA and previous chair of Enterprise Waitakere - a local EDA and CCO of the Waitakere City Council.

## **Labour Market Intervention:**

Action is needed to improve the interaction between employers and skills providers in the regions to give labour market interventions more of an impact. (Clark et al., 2006, pp. 5, 6).

There was a consensus that this recommendation suffered from complexities and institutional barriers. Regional and local government in Auckland, or across the country, did not have a strong role, or mandate, in labour-market development work. As a result, the labour market intervention did not have the desired impact it should have through the Metro Action Plan work-stream four. It also, perhaps, demonstrated that more thought was needed for labour market interventions at a regional level where there were many actors with varying levels of experience and leverage:

...the problem is that local government has not had a long-standing role in labour markets. They might have done some targeted actions in social development but it's still very much a central government-led area, but even within central government it is not with one agency. The other problem with labour force [work] is that you start from pre-schoolers to continued education and workplace training so you have a huge array of interventions. So what we did was we looked at university, vocational, workplace stuff and there was a lot of debate about that. I think we needed someone a bit stronger to get the agencies working together, but that was really hard...I think those questions about who's responsible, what do we do in local government, they still haven't been resolved. (Participant T).

Horizontal or vertical integration, therefore, was not achieved, and the complexity and politics of trying to get a number of government departments, industry training organisations and educational institutions to collaborate was difficult enough, let alone the difficulty in getting clear signals about future skills needs. As a result governance, funding and operational mechanisms were inadequate for the task:

... we've never resourced things well enough on the scale [that's needed]. Also, it's driven... too much around the politics and policies of Work and Income [a key central government agency], which has got nothing to do with solving the short and long term issues of skills and employment... (participant S).

Participant E believed that there was not enough urgency at the time regarding the context and nature of unemployment and had that been different, with wider consultation and less focus on business skills deficiencies, and then the outcome may have been different. Also, one of the criticisms of MAP was that the partnership and process was not inclusive enough of Māori in particular, and other minority groups more generally:

For instance, labour markets at the time, we had businesses looking to address skills shortages, and so you get locked into a complacency. So the investment in education, the investment in training, the investment in business planning that identifies shortfalls of skills, none of that was an issue because there was pretty much full employment and you didn't have to worry about it. But if I have a look today we've got this massive tail of unemployment in our Māori and Polynesian peoples. It was there then, it might have been in a different space and face, but it was there. (Participant E).

MAP's focus on economic development, the fact that the most fundamental partnership in a New Zealand context is with Māori, which we at IPP were acutely aware of, and tried to rectify at a number of stages, meant that this recommendation in particular was open to criticism and at risk of failure. The other recommendation that suffered as a result of poor engagement with Māori was an 'Inclusive Region.' As a result of these complexities and barriers strategic alignment also suffered, detracting from an integrated approach in developing One Plan:

The labour market intervention was a problematic one... but when you look at that, that's just probably the least formed of the whole lot. I have to say by the time I was running the One Plan for Auckland it was the labour market intervention stuff that held up the plan. So a few years on, it was very much the Department of Labour that was really clunky [meaning bureaucratic and rigid]... (participant R).

Skills and labour market interventions were beleieved to be a 'wicked' issue for Auckland with little or no progress:

...I know there was good work done through Auckland Plus and Metro and quite a lot of work done trying to co-ordinate [agencies] but it's probably still an area that we're grappling with as a region. It's a tricky one. (Participant H).

## **The Regional Innovation System:**

...a programme of larger scale interventions and initiatives to better join up the existing initiatives is required to foster a more effective regional innovation system. (Clark et al., 2006, p. 5).

This recommendation captured a number of work streams following the knowledge wave conferences and Labour-led policies in regional development such as the GIF and the GIAB, which centred on building human capital for innovation and recognising and connecting important research and innovation assets within a region. Florida's (2002) creative classes work, Clark's (2006d) work on cities' openness and diversity, and OECD (2006) work on competitive cities added to a local academic push for an RIS approach in Auckland. What the Metro Report and Action Plan, and the supporting research and engagement did, was connect the policy-makers to thinking about innovation in a city-region. The thread between these efforts, and the time it takes for these kinds of economic interventions to come to fruition, is succinctly put in the following quote:

...we're far more advanced now than we were five, six years ago... we've mapped Auckland's innovation ecosystem; we understand it. We understand the role of tertiaries... we've made commitments to invest in infrastructure like the Food Bowl [part of the national food innovation network], the Wynyard Quarter [innovation hub], the Health Hub [recommendation in the Metro Report]. These are investments Auckland Region has now made and we are confident we have invested in the right places to put us into a different space. Government's just invested in the [Callaghan] Innovation Institute, which we're working closely with to see what that will look like in Auckland. Fifty percent of all the high-value innovation in manufacturing happens in the Auckland region. [Auckland] is supported by the six universities and tertiary providers... Central government is committed to putting more resource into Auckland to support the commercialisation of R and D and so... the issues that were highlighted in Metro have taken five, six years [to address], but we're now seeing some building blocks put in place... (Participant F).

## **An Inclusive Region:**

Paying more purposeful attention to disadvantaged areas and communities is critical to making population growth (and economic growth) work for Auckland. More attention to larger scale community investment efforts are recommended in order to foster greater economic empowerment. We recommend establishing a systematic effort to deliver community investment at the regional level. (Clark et al., 2006, p.5).

The ad hoc nature of Auckland's development (Shirley and Neill, 2013) and considerable under-investment in social and physical infrastructure (Kirk, 2006) were factors in Auckland's underperformance. Furthermore, the lack of an integrated approach to social investment in Auckland was also seen as a barrier to better economic performance. Little attention was paid to social factors in the Metro Action Plan other than in the labour market work, because of the different, mainly central government, agencies involved, an integrated and holistic regional approach was difficult to achieve. It would have required a degree of subsidiarity resisted by central government agencies. Related to this, local government did not have the tools, resources or mandate in either labour market or social development work to effect change on the scale that was required. These factors led to the ARC, AREDF and Auckland plus doing what was within their control, leaving wider questions of governance and subsidiarity to another time, focussing on what they perceived to be economic development actions as opposed to social development interventions. However, the Metro Report recommendation recognised the cost of the lack of attention to community investment could incur, socially and economically. From an economic development perspective, Auckland's diverse communities could be seen either as a spur to creativity and innovation or the Achilles heel to increasing productivity and international competitiveness. As Clark commented in a supporting report place-based factors were important:

[There were] important contextual factors such as infrastructure and connectivity, the quality of housing and amenity, the performance of public services, the operating environment for business, and the broader quality of

life. In an open and mobile economy, these place-based factors must support and reinforce drivers of growth and innovation. (Clark, 2006b, p.8).

A place-based approach was recommended, working to address inequity issues through community investment – in the form of increased social amenity and connectivity; physical and digital. As commented above this recommendation was not reflected in the subsequent Metro Action Plan:

There's not a strong diversity agenda in the Metro Report. I don't think that's been successfully tackled or engaged, and I think that was probably missed, which is the only reason I would mark it [MAP] down. I still think it's a major issue that has never really been addressed or understood. (Participant L).

However participant R said there was some evidence that the new Auckland Council had followed up this recommendation: 'An inclusive region?' I could say that sounds exactly like the Southern Initiative, that's taken a few years to emerge, but it's there.' Also, there was some evidence that the Auckland Plan became a more holistic plan as a result of the recommendation, but subsequent governance arrangements to support this recommendation undermined its success. The Social Policy Forum, created after amalgamation, also lacked teeth and likewise did not address the issue:

That's what it is, it's an Auckland plan, it's not an Auckland Council plan... So I think if I were the mayor ...I'd have a big high-level governance forum, and I'd make that my platform for being elected. I'd have the absolute big guns around the table, and it would provide leadership a think tank, partnership and relationships, and social equity... (participant S).

The Inclusive Region recommendation, like the Labour Market Intervention, suffered from a lack of collaboration between institutions involved in addressing the issues. The notion of regional governance, where one might attempt to address significant regionally-specific issues, was constrained by institutional mandates, boundaries and behaviours. These two recommendations addressed socio-economic factors where the cross-fertilisation of knowledge and a regional approach were needed the most to

increase social inclusiveness, and they both failed to gain traction within an RED project.

## **Distinctively Auckland**

Substantially enhanced regional identity and promotion are required to better communicate Auckland's distinctive appeal to differentiate Auckland from other regions... Current efforts are too disaggregated and small scale. A vision for Auckland's future must have an emotional logic as well as an economic logic... (Clark et al., 2006, p. 6).

Participants G, H, I, M, O, P, Q, R, S and T supported the notion that this recommendation was picked up in the Metro Action Plan and implemented well. There was pressure to achieve this before the RWC 2011 with comments supporting good process and connection to other strategies such as Auckland's visitor strategy. Branding was also something that was well within the control of Auckland Plus to lead, and it got public sector support from across the region, particularly as the logic of promoting Auckland to the rest of the world was more meaningful than trying to promote a series of local territories within Auckland. It also had a wider logic in that the brand was to be more than a tourism brand, it was a brand that could be used to promote Auckland as an attractive place to live and work, to attract business conferences and increase international business networks and connectivity, and to attract inward investment and skilled migrants. The following quotes are representative of those that supported the conclusion that this was implemented well in the Metro Action Plan:

...it was like, gosh, we've got eight different identities here, so it definitely had an impact. That's where the seeds were sown. (Participant H).

...distinctively Auckland, you can't argue with that, I think the logo we had for Auckland prior to this was hopeless. (Participant P).

...bringing the economic development and events and tourism together in this concept of Destination Auckland worked. Whether you're an investor, a business person or a tourist Auckland has something to offer. This is something that a lot of others should be looking at, too. (Participant I).

...if we wanted to promote Auckland as a place for FDI; then we really had to get a sense of a unified brand; that's quite a practical and useful outcome... that would have had its own impact. (Participant S).

## **Connected Hubs and Spokes:**

Transport improvements are already underway in many parts of the region. Critical amongst these is improved rail links between CBD and the airport. This project should be a key priority for the next three years. (Clark et al., 2006, p. 6).

An important component of the Metro report was the integrated nature of the recommendations and the connection to leadership and governance. Before amalgamation, the Auckland Regional Transport Authority (ARTA), formed in 2004, was headquartered at the ARC. ARTA had vertical integration challenges (negotiating with central government for funding arterial routes) and horizontal challenges (negotiating with TLAs for integration with, and funding for, local roads). However, there was a greater challenge with vertical integration than horizontal which has continued into the Auckland Plan:

... certainly there was a perception that the reason the funding wasn't coming through was because local government wasn't joined up, which wasn't true... The TLAs and the Regional Council all agreed about the transport strategy for the region. The big deal was that central government didn't agree, and that's the same now. The Auckland Plan has got exactly the same issues. (Participant R).

Post amalgamation, through an Act of Parliament,<sup>82</sup> Auckland Transport (AT) was formed as one of seven CCOs of the Auckland Council. The importance of the special Act of Parliament was that the new Auckland Council could not disestablish AT without

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<sup>82</sup> Section 38 of the Local Government (Auckland Council) Act 2009



central government approval. At the time of establishment, it accounted for approximately half of Council's revenue. There were some indirect causal inferences from participants (G, J, R and S) to this outcome and transport related projects. However, the power and influence of ARTA (regional and local government agency) and NZTA (central government agency)<sup>83</sup> had historical and political contexts, and combined they influenced and commanded a significant share of local government expenditure. As a result, regardless of the role that they played in economic development, they dwarfed the EDAs prior to amalgamation leading to a situation where transport agencies made transport decisions in virtual isolation of EDAs.

The key issue, however, according to these participants, was gaining agreement between Wellington and Auckland on funding major infrastructure projects, primarily to gain an integrated transport system:

There's just this extraordinary disconnect between Auckland-based people who go to Wellington. Central government oversaw Auckland regarding a commitment to funding, so Auckland was starved of transport infrastructure the whole of the 1990s, hugely! ...We were working on a 1956 template, for god's sake. We still hadn't finished it, and we still haven't finished it. Waterview<sup>84</sup> will finish the 1956 template, the motorway ring system, but also grunty public transport based on heavy rail... So we were fighting amongst ourselves but right through this exercise there was just this huge gap in funding. (Participant J).

An inference can be made here also that MAP highlighted the lack of vertical and horizontal integration to address the problem, and that these issues pertained to increasing Auckland's productivity and international competitiveness. Thus, even

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<sup>83</sup> The primary role of NZTA was/is to fund national transport systems, for example motorways, and ARTA was to fund regional ones, for example local roads. AT is still regionally focussed but was established by central government as a Council Organisation, not a Council Controlled Organisation. The Auckland Council appoints between 6 and 8 directors, two of which can be councillors, and NZTA appoints one independent non-voting director. It has strong business, legal and professional directors.

<sup>84</sup> Waterview is a large tunnel connecting the SW motorway to the NW motorway in Auckland, one of New Zealand's largest and most expensive transport infrastructure projects.

though there were powerful institutions controlling large amounts of funding, the subsequent governance reviews and amalgamation sought to rectify these issues in AT, with a mix of public and private sector directors and a government appointee. These changes and were at the heart of large infrastructure projects finally getting underway. However, AT still has to negotiate with NZTA and central government more widely on a case by case basis for large projects.<sup>85</sup>

### **New Zealand's Shop Window:**

The CBD and Waterfront are critical to the success of New Zealand and the whole Auckland region. Existing efforts and interventions aimed at revitalisation should be re-doubled and the scope of support should be enlarged to make this an important national and regional project. The progress of the CBD and the Waterfront should be undertaken in tandem as a single project.' (Clark et al., 2006, p.6).

Auckland's CBD and waterfront were due for re-vitalisation. The CBD had suffered from decades of polycentric urban development across the region, particularly after the 1989 local government reforms where four cities were established. Like many large trading cities internationally Auckland had a working waterfront that had become increasingly inaccessible to the public. Following progress made by the ARC and ACC in development of the viaduct harbour<sup>86</sup> for the Americas Cup sailing regatta in 2003, the RWC 2011 was seen as an opportunity to complete urban amenity development in the CBD and waterfront.

Yes, the CBD and the waterfront, absolutely vital. If you go to Shanghai and see what they've done on the Bund there, in a crowded city, it's fantastic, and there's a long way to go but we've made some great strides in the waterfront in the last two years, and the Rugby World Cup really spurred that on. (Participant P).

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<sup>85</sup> The city rail loop completion is an example of the protracted negotiating process that the Auckland Council and AT must still go through with central government.

<sup>86</sup> An area of the Auckland waterfront, between the port and a large bulk container area that was mixed-use commercial and residential and open to the public.

This recommendation received strong support from participants C, G, H, J, L, N, O, P, Q, R and S in particular regarding subsequent actions taken in the Metro Action Plan. The ARC and ACC laid the ground for a more integrated approach to the development of an urban development agency, Waterfront Auckland (WA), as a CCO of the new Auckland Council:

New Zealand shop window, the CBD and waterfront... ARC and Auckland City Council have done some pretty fine stuff down there. I know the intensity of the debate was huge, but... we're seeing it unfolding there... and look, the waterfront agency down there has got bucket-loads of money to do it... So Aucklanders can feel proud of their city whether you live in Pukekohe or Wellsford,<sup>87</sup> you can say there's a heart to it, and this is New Zealand's shop front... They don't remember going to Manukau City Centre; they'll remember going to the waterfront. (Participant J).

The intention in the Metro Report was that WA would be a "special purpose vehicle" for the development of, and the connection between, the waterfront and CBD as the first step to taking a wider perspective on urban amenity in Auckland. Panuku Development Auckland, a region-wide urban development organisation, subsequently replaced WA in 2015. The following selection of quotes supported the view that this recommendation had an impact on these outcomes:

I also remember the Stadium idea<sup>88</sup> on the waterfront came from that [Symposium] day; it came from the table I was sitting at! I can't remember who said it and then, oh god, that's really good. So yes, when you started to think about the importance of Auckland, then this started to be raised as a really key part of the problem, which, of course, it was. (Participant O).

...it was remarkable. It succeeded more than any of us would have expected. People recognised how big a contribution it could make to the quality of our

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<sup>87</sup> Townships to the South and North in Auckland's rural hinterland

<sup>88</sup> A new sports stadium situated on the waterfront on Marsden Wharf, was suggested at the symposium and got backing by the Labour-led government and Minister for Sport Trevor Mallard, in preparation for the RWC. Central Government gave the Auckland City Council and the ARC time to consider the proposal and by late November 2006, the Auckland City Council had voted in favour, and the ARC had voted against the idea. This example served to amplify the divide between councils with differing aspects of control over waterfront development. Eden Park was eventually supported to upgrade sporting facilities in Auckland in preparation for the RWC.

city fabric, the way our city is built, by recognising our ability to use the water edge better. (Participant G).

I look at the change that's happened while I've been away which has been dramatic... but if you look at what's happening down there, your ability to plan effectively now is just so dramatically different. You can listen to the stories about what they're going to do, and it's not what we'd like to do, it's no longer just a picture out there, you can see them putting the blocks in place... it's pretty cool actually... this bit's connected to that bit. (Participant C).

### **The Vital Regional Energy:**

Auckland's regional energy supply and distribution system is inadequate for a modern city and not yet able to help mitigate the challenges of climate change. There is action already proposed, and this should be taken forwards in a committed and systematic way. (Clark et al., 2006, p. 6).

This recommendation received little support from participants other than that the report managed to highlight an important issue that was fundamental to Auckland's economic success; that security of supply of energy to New Zealand's main trading centre was important. There were too many co-causal factors for any impact in this area to be attributed to MAP. Energy infrastructure issues were wider than Auckland, as part of a national distribution network, even if failure had dire consequences for Auckland and therefore New Zealand's productivity:

I think there was truth in that statement. I think it's recognised. The question of servicing the North Shore has always been a subject of some concern with respect to both water and electricity. The Harbour acts as a barrier to an easy solution, but there's also our reliance on electrical energy. Most of it produced elsewhere in the country, with very little produced to the north of the city, and attempts to develop more energy production north of the harbour have yet to be realised... The investment in our national energy distribution system is huge and it can't be decided by Auckland, big as it is, alone... The huge economic consequence of that failure, however, and how much you deal with that risk, to pre-invest, to make sure the risk is reduced, means that the city has to continually keep a watch for alternative sources of supply. (Participant G).

Yes, I could understand the security of supply stuff, especially given both the earlier problems that Mercury Energy or its predecessor faced, and then we had that big substation problem at Papakura. But regional energy supply,

distribution systems, it almost had a feel, I can recall at the time, of regional self-sufficiency, which I thought was kind of nutty... if we had all regions thinking in those terms, you'd never get the connectivity across New Zealand. (Participant K).

## **Digital Connectedness:**

Broadband and wireless capability are critical to overcoming some of the challenges of geographical location, but broadband in Auckland is well below the standards required for a successful international city. Recent progress made on the framework needs to be utilised through rapid upgrades in availability.' (Clark et al., 2006, p. 6).

As with vital regional energy, digital connectedness had many correlated activities and previous work (participants G, H, K, L, N and R). Participants, F, H, K and T believed that the fact that it was highlighted in the Metro Report enabled a greater focus on the broadband infrastructure roll-out in Auckland:

Broadband got on the table more through this process, and we've had some good outcomes with central government regarding the region getting itself together a lot more to be able to get central government funding into broadband initiatives... (Participant H).

Some these things, like broadband initiatives and digital roll-outs, have in the end got subsumed in broader processes, such as the high-speed broadband roll-out... so that interaction between where you get an enunciation from a regional point of view and what turns into government policy, you've got to be able to work your way through that... (Participant K).

Digital connectedness was seen as vital by the international team, partners and stakeholders, particularly as it was fundamental to the role that Auckland needed to play in the national economy in increasing innovation and global connectedness:

Digital connectedness, I think that's been taken up now, it's certainly very important, well worth including in our recommendations... If we had say, four

tiers of importance, that would certainly be in tier two, if not tier one. (Participant G).

### **A Major Catalyst:**

The Rugby World Cup 2011 can be an important catalyst for many of the improvements that the Auckland Metro Region seeks to make. It will not only be a significant sports festival and tourism event but could also be the means to achieve much wider developmental and economic outcomes... and a dedicated team identified to pursue this aspect of the RWC. (Clark et al., 2006, pp. 5, 6).

Participants E, G, I, J, L, P, R, S and T, contributed strongly to the assessment of this recommendation. Planning for a major event such as the RWC provided an opportunity to leverage much-needed infrastructure and amenity improvements. New language entered the discourse surrounding the event, such as legacy and leverage, which allowed organisers to see the event as something more than a sporting event:

I think some of the initiatives, the tourism especially around major events and the realisation the benefits... and growing the appreciation of what those benefits were; the legacy, and the leverage. So there was a whole lot of new language that we brought in then, and when I have a look at what we achieved in Rugby World Cup I think a lot of that leverage came out of some of what we did through MAP... (participant E).

I still think that regarding getting people to think about the opportunity and to understand how you grasp, in a politically speedy way, legacy projects, I think Metro did influence how people thought about the Rugby World Cup. Also, you could say it's almost like a subversive approach to activism, everybody's supporting this great event, and it's only going to be one month, but it provides you with the opportunity to get a whole lot of other things on the agenda. It accelerated what might take five or ten years... (participant S).

The RWC was also an opportunity to promote Auckland as a centre for business and innovation and as the start of a longer-term focus on attracting significant events to increase visitor numbers and length-of-stay. The perception of Auckland at the time was that it was a gateway to other premium tourism destinations in New Zealand, rather than a destination in itself. Participants strongly supported the recommendation but were

mixed in their interpretation of MAP and the Action Plan for implementing the recommendation. Participant L saw that previous capability in ACC was largely responsible for the successful delivery of the event and that business and economic activities were ‘fluff and stuff’:

I think it had two key strings. One is, had the Auckland City Council not invested so heavily in its events infrastructure then it wouldn't have worked so well. If you look through the transition the Rugby World Cup was delivered after Auckland Council reform and the Auckland City Council team became the regional team, so there was continuity there of skill and knowledge and investment. If Auckland City Council had not done that over the preceding decade, it wouldn't have happened as well as it did. Actually, in the end, what happened with the business functions and the fluff and stuff around it that Auckland Plus got underway, who knows, in a way who cares. So I think the second was the councils did leave their hats at the door, they all chipped in, probably the only regional project where everyone pulled their weight. (Participant L).

On the one hand, the event was a success, the new branding reinforced and promoted Auckland, and it hastened waterfront and CBD developments as New Zealand's shop window. Recommendations for a new sports stadium (on the waterfront) and an international convention centre as legacy projects, although not explicit in the Metro Report, but outcomes of the Symposium on Auckland, however, failed to gain support:

I think that's what we were saying during the Rugby World Cup, whatever you'd want to think about the regions, the fact is that Auckland is the commercial and financial hub of the country.... which was proved during the Rugby World Cup. It was proved by the crowds of people at Auckland Airport to streets of Mangere and that the whole city got behind it... The Rugby World Cup was probably a galvanising activity, but the only thing it didn't do was, we didn't spend fifty billion dollars on redeveloping a whole area. If we had put the stadium on the waterfront, that would have been a major coup. (Participant I).

No other perceptible economic benefits, outside the economic impact associated with the event, were identified by participants.

## **Expansion of Knowledge Infrastructure:**

Higher Education, Research, and Medical facilities are important assets in Auckland... little attention appears to have been paid to how they might be expanded within the region, especially to serve international markets. Better promotion of what Auckland has to offer internationally would be worthwhile, but also, national and regional initiatives are needed to grow the base of excellence. (Clark et al., 2006, p. 6).

Alongside the regional innovation system this recommendation was supposed to increase the knowledge economy in Auckland by attracting researchers and knowledge workers and by promoting Auckland's research assets in order for them expand their research efforts and increase international connectedness. There was little support for this recommendation having a direct work-stream or perceptible impact on other outcomes, except that a strong focus on innovation centres and precincts followed MAP that included academic partners, CRIs and private sector R&D efforts. A connection was also made to the Knowledge Auckland website<sup>89</sup> as an attempt to provide a single evidence base for Auckland (participants F, J and R). However there was little support for this recommendation having a significant impact on this or other outcomes, or that Auckland's knowledge infrastructure, universities, CRIs and the medical school were promoted globally either throughout or post the RWC event.

## **Bringing the World to Auckland**

'An international events strategy and programme should be established with the intention of bringing the world to Auckland more regularly. Auckland should consider a range of events that it might host before and after 2011 [RWC], linked to the wider development goals of the region. The Commonwealth Games, Americas Cup, EXPO, Summits, and others all offer the potential to help build Auckland's identity, to foster investment in essential infrastructures, and to build new international niches in the regional economy.' (Clark et al., 2006, p. 6).

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<sup>89</sup> <http://www.knowledgeauckland.org.nz/>



There was strong support that this recommendation resulted in significant improvements to Auckland's focus on events (participants D, F, G and N). It was also evident in the effort for the RWC and the subsequent creation, name and activities of ATEED (Auckland *Tourism, Events* and Economic Development). As participant N recalled, MAP provided an opportunity for a re-think of the 'visitor economy':

I was pretty focused on the visitor stuff. My expectation the Metro Plan was to get a re-think around the whole visitor economy and then behind it much better traction regarding funding and focus on that part of the spectrum.

#### **Researcher**

Were any of your expectations realised?

#### **Participant**

My expectations were exceeded. Then, to have the creation of this visitor economic agency as part of the new Council structure and to put those bits together in that form, I thought yay, at last, we've got something we can really take hold of. The whole plan that we wrote, "Bringing the world to Auckland", was what came out of that Metro session. (Participant N).

Participant F focused on the outcome of gaining experience in staging the RWC, and how Auckland has an improved reputation on a world stage as a result:

... a good example of that is the work that went on around major events, and delivery of Rugby World Cup has resulted in Auckland being this year awarded second in terms of the most event-friendly cities around the globe, behind London, and they had a minor event called the Olympics! But what's significant is that when we were moving towards transition and change, regarding events and how Auckland positioned itself, Melbourne was the aspiration because they had a reputation for ten years as an events-friendly city. I think it's significant that in the global awards Melbourne came third, behind Auckland... (participant F).

Participants also mentioned that the subsequent Auckland regional economic development strategy and significant effort given to the visitor strategy, and funding within ATEED for events and tourism related activities, had their genesis in this recommendation, and the leadership shown by David McConnell (current chair of ATEED) during MAP.

## **An Integrated Approach**

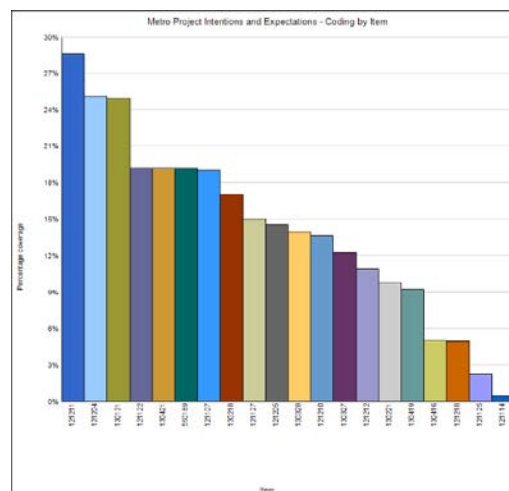
The report went on to say that ‘[M]uch is already being done in Auckland to promote the region’s future, but too many initiatives are small in scale, separated or disaggregated from one another... The action plan should be about a small number of large-scale interventions that command wide support and are delivered in a participative manner.’ (ibid, p.6). A systemic approach was needed to take advantage of the opportunities identified in the report but also a collaborative cross-sector approach:

...the report actually in a sense told the story of the issues really well, and it was very good the way it... communicated, demonstrated the real interlocking nature of all of these [recommendations], that you couldn’t take off one piece and think that you would get the whole... They were all inter-connected, and so the Metro Report shifted the high-level strategic conversation at a political level, and within business and all the sectors, so if you’re talking about progress and change and transformation that’s where it starts. (Participant S).

To achieve this kind of transformation, however, the report stated that ‘a high degree of institutional collaboration will be required...’ and ‘[T]he national government is an important partner in these projects and processes’ (p.6). There was further recognition by the international review team that Auckland had reached an important juncture, and there was an opportunity that ‘must be grasped’ that would ‘provide a springboard for action if harnessed positively’ (p.7).

## ***Stakeholder Intentions and Expectations***

All participants contributed to this node providing 176 references. When a project such as MAP has a number of partners, and operates at a high-level strategically and politically, there is wide scope for actors to bring different assumptions, intentions and expectations to the project. People also interpret objectives differently and question whether there needs to be any change at all.



**Figure 15. Stakeholder Intentions and Expectations Node by Source**

They may also bring the plans, strategies and expectations of the institutions they are employed by to bear on the project, to gain some strategic advantage, or even to progress an outcome that they think needs to be advanced. In this section, the intentions and expectations of key stakeholders are revealed.

## **Raise Awareness of the Importance of Auckland to the New Zealand Economy**

What each of the partners (ARC, IPP and CfA) had in common was a belief that RED policy was inadequate and that Wellington regarded Auckland as divided, unable to collaborate effectively, and therefore incapable of presenting a single view of the regional issues that needed to be addressed. Thus, a combined view of the partners was that Auckland could contribute more to the national economy with the right support, and Auckland's importance to the New Zealand's economy needed to be raised in Wellington and promoted to the rest of New Zealand:

So it was all very much about saying Auckland was the financial and commercial centre of New Zealand and how you developed that whole region to drive the broader New Zealand economy... So our expectations were that the broader Auckland region would work as one to drive economic development for the region, but also for New Zealand. (Participant I).

I also think part of the intention was how to get Wellington and central government to recognise some of the changes that may need to happen in Auckland. For them to increase their understanding of Auckland, and the issues that it faced, and what needed to happen up here for it to become more internationally competitive. (Participant Q).

It was really trying to get Government, the business sector, leaders, everyone together to think about the importance and it was also I think to really raise the profile of the importance of Auckland in the New Zealand economy. (Participant L).

However, nothing could be achieved if there were multiple voices expressing different views of what needed to happen. The triple helix partnership approach provided a more united view, bringing business, academia and regional government together on Auckland issues, which was influential in persuading government officials and politicians. The Symposium on Auckland also brought government (local and central) officials, politicians, academic and business leaders together to focus on Auckland which helped to raise awareness of the importance of Auckland to the national economy.

### **Alignment of RED efforts in Auckland**

Many stakeholders started with a belief that MAP could provide a platform for the implementation of AREDS and address the governance and operations required for RED – an ambitious goal on its own. Within Auckland this led to sub-regions viewing their interconnections as part of a wider functional regional economy that required a more integrated approach:

We were absorbing all of Auckland's industrial growth because we were the only ones left... [we] needed to have a new definition in a regional space because by this stage; we'd got all this industry, all these jobs, down south, we'd distorted the transport system to hell because we didn't have a regional approach... we'd created this distortion because we weren't thinking regionally. (Participant J).

Attempts to improve RED, the failure of the AREDS Office, enmities between TLAs, and between TLAs and the ARC, and resultant mistrust between local EDAs and Auckland Plus, provided the context for, and the desire for, better alignment and focus on projects of regional significance:

I think bringing in the OECD focus, the international focus, provided a bit of life and status through bringing in people like Greg Clark and others in. It really put economic development on the map in Auckland because it had been poor brother to all sorts of things for a couple of decades, really, in terms of what government was doing. (Participant R).

As participant F put it 'MAP was very much about working with the various constituents in the Auckland region, trying to get an aligned strategy around economic development and growth.' However to do this RED strategies and actions needed to be integrated with other functions, and better connected with the private sector:

People were able to look and see why having better roads was about economic development. Having a better-operating port was about economic development. It was about the ability to attract investment. It was about the ability to attract firms. It was about the ability to create jobs. Oh good god, I've got grandchildren, and they need jobs. So, economic development, instead of being this capitalist bloody thing, people were able to see it in a new context. (Participant E).

These views and others provided an impetus among stakeholders for strategic alignment, the Metro Report recommendation for a jointly owned REDA catalysed the sentiment and provided the opportunity to realise the expectation. However a REDA would only be one part of a wider set of delivery mechanisms needed to have a systemic approach.

## **Implement AREDS**

Some stakeholders, particularly in the public sector and amongst those who had spent so much time and energy creating AREDS, were very keen to use MAP to pick implementation momentum up again, feeling it had stalled under the AREDS Office:

...I always look back to MAP as being the turning point of picking the development momentum up again for the region because despite having a good strategy and process around AREDS it had come to a stalling point. (Participant H).

While MAP was framed in some quarters as developing an action plan for AREDS, it broadened horizons on what was possible and gave some substance to AREDS:

It was to provide an action plan that implemented the economic development strategy. That was all about building the quality of Auckland as a place to be, quality of its people, infrastructure and all of that, but with a very clear focus on building export sectors in particular, and working with private sector and central government to do that. (Participant R).

High-level actions on things like lifting Auckland's competitiveness on a world scale and improving regional governance were seen as just as important, and these objectives needed a different approach from what was previously employed. The ARC, post the Metro Report and in the development of the Metro Action Plan encountered a familiar situation in local and regional government:

The problem we get though, as with AREDS, you get six months and half a million dollars, and we want to see a strategy with priorities, and we want you to consult with every man and his dog in the process. So you figure out what could you do in that time. We had to leave it at a high-level because we couldn't get agreement from all the partners to prioritise or to be more specific because the more specific you are, the more likely there's going to be winners and losers and commitments needing to be made, and that all takes time to work through. (Participant R).

Given the local government constraints in creating and implementing RED strategies MAP was seen as a way to implement AREDS by regional and local government stakeholders in particular. For other stakeholders a focus on a small number of high

level strategic actions, rather than aligning words in a strategy with words in an action plan, were just as, if not more, important.

## **A Circuit Breaker**

Thus, for many of Auckland's stakeholders the same arguments that had been around for at least a decade needed a circuit-breaker from outside New Zealand to re-frame the narratives and issues away from a win/lose situation and the constant re-writing of strategies. Improving Auckland's economic development efforts, competitiveness and productivity should have been the focus, and rather than asking central government for a fair share of national expenditure Auckland should be contributing more to the national economy. That the success of New Zealand was intimately linked to the success of Auckland needed to be made clear. The issues facing Auckland needed to be put into an international context:

Einstein's theory keeps on coming up, of throwing out the same old stuff and expecting a different result. What is it, the definition of insanity, and there was a real sense of purpose around bringing in some different people. You can often say that we've got a great group of champions in our city but if you're going to change the thinking, if you are to claim that we think differently... sometimes you've got to bring in something different and so that was one of the things that we did. (Participant E).

I certainly had expectations and thought we're getting all these great international experts coming here so it will be very interesting to hear what they've got to say and feed that into what we're learning as we were learning more about cities and how cities should perform... (participant Q).

I thought the intention of MAP was to get some smart thinkers and analysts from outside of New Zealand who didn't have either political baggage or didn't bring any of those kinds of xenophobic attitudes and were able to take a fresh look at the complexity of the issues and challenges in the Auckland region... (Participant S).

MAP was seen as a circuit-breaker and an opportunity to change narratives and opinions about the importance of Auckland to New Zealand's economy which could lead to changed behaviours and increased central government attention.

## **Change Narratives**

Changing, or re-framing narratives, was seen by most participants as important on a number of levels. Changing narratives within local government and the wider community within Auckland was important, as participant E put it 'economic development was very much seen as the "rich pricks" domain.' Therefore, it was divisive in policy circles and often unrelated to plans and strategies across sectors and even within institutions. As a result, the notion of governance was promoted with the need for the public and private sectors in Auckland to work more collaboratively.

Another important narrative was around Wellington's, and New Zealand's, view of Auckland. It was seen as important to raise the profile of Auckland in Wellington but also to the rest of the country:

...it was also I think to really raise the profile of the importance of Auckland in the New Zealand economy. That's really shifted now, whereas then we were still arguing that it was important. (Participant L).

Thus raising the profile and importance of Auckland in policy and political circles in Wellington, emphasising that the Auckland economy was important to New Zealand, and re-framing the view of Auckland to that of a "world class globally connected city-region" were tactics. While statements like these were hyperbole, it reinforced the notion of a city-region as the basis for engagement and that Auckland was needed to play a significant trading role in the New Zealand economy; a region that was different from other regions in New Zealand. Policy and action, therefore, needed to be tailored



towards those unique circumstances rather than a one-size-fits-all policy approach developed in Wellington for RED.

## **Change Behaviours**

The theme of changing behaviours came through strongly from content analysis with sixteen participants providing commentary. All believed a change in behaviour was needed from key actors influencing economic development in Auckland. However, there were different views about who and what should change. These included;

- a change in the way key stakeholders in Auckland related to one another and viewed economic development,
- a change in the way central government and local government worked together,
- a change in the way central government engaged with and supported Auckland,
- a change in the way business engaged in RED processes and
- a change in the way the public and private sectors worked together in RED.

As participants E and K put it these kinds of changes required some self-reflection as well:

I look at some of the early meetings that we had, and the need to engage your business community, the need for the business community to see themselves as different to what they've been in the past, and my thinking changed at the same time. So today I talk about business *in* the community, not business *and* the community. (Participant E, *emphasis by participant*).

Yes, and we should explore, you know Auckland getting its act together was one thing that Government said, but central government getting its act together and its relationship with Auckland sorted out was one of the things that I was trying to do. (Participant K).

Not only was there a change needed by government, business needed to expand its horizons moving beyond self-interest:

...the word behaviour, absolutely key, because it was a behavioural change that was needed. It was people recognising that there were triggers that had consequences further down in a community and some of those consequences came back to affect them, maybe not today, this week or this year but in the future... As I say, business changed the way in which it engages and I see all of that was part of that economic development discussion we were having at the time. (Participant E).

EDAs were often marginalised in local government funding and support. Three-year electoral cycles in local government also made it difficult to implement long-term economic development plans. As a result EDAs were under-resourced, competitive, driven by local agendas and at the mercy of constantly changing local politics. Stakeholders felt that while this situation was allowed to continue it added fuel to the Wellington view that Auckland could not collaborate. This then required a far more unified regional approach within Auckland:

... governments often have said if Auckland can get its act together we'll back Auckland, and I think central government often said that quite cynically knowing full well that Auckland would never get its act together. So the more that you could get an enunciation of where you wanted to go, it helped up the ante with the dialogue between central government [and Auckland]. (Participant K).

The approach to governance that underlay the RPP and MAP was one of partnership and forming new institutions to address complex issues. Stakeholders were also calling for more “fit-for-purpose” governance based on expertise rather than representation; recognising that business needed to play a role alongside government:

...business leaders are not in a role to fulfil a function for community governance but they do have a heck of a lot of knowledge that is of great use. The risk with private sector involvement is they do not have any overarching capability to speak broadly across the range of topics that government has to consider. They have their own vested interests, sometimes opinions, sometimes the best interests of the community is their intent, but they individually wouldn't have the depth of engagement with the community that is necessary to create a strong society. However, if you put a lot of people together with individual knowledge and you have a way of managing it... then you get the considered opinion of a wide-ranging group of people - that becomes quite useful. (Participant G).

Many stakeholders believed that the public and private sectors were at best working in parallel and at worst working in isolation with no strategic alignment and mounting frustration. As participant F put it ‘we needed to get greater buy-in from the private sector and various institutions like tertiaries and a range of other stakeholders and nobody had seen that happen at a regional level previously.’

Historical events had left both the private and public sectors weary of each other. Participant F recalled ‘[W]e did need strong commitment out of the private sector to generate an appetite for change.’ At IPP we had often found ourselves playing the role of intermediary in trying to bring the two sides together, particularly when it came to discussions about the scope of MAP in relation to governance and private sector engagement. Another role that we played was that of trying to get more meaningful engagement with Māori, our Treaty of Waitangi partner.<sup>90</sup>

Any notion of lifting Auckland’s performance in RED thus required collaboration on a different level than previously experienced. The public and private sectors collaborating was difficult enough, adding academics into that collaboration created yet another set of dynamics. Nonetheless many believed that this was not only needed in order to bring the best minds to the task, it was also needed to convince Wellington that RED in Auckland was important:

I think the intention was to try and continue to work collaboratively but again it came down to getting agreement on the actions in a way that could be translated down to Wellington and getting that buy-in from the Wellington level as well. (Participant Q).

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<sup>90</sup> IPP had developed a partnership with Ngati Whatua, the main tribe in Auckland with “mana whenua” (pride of place over the decisions governing the land). We engaged early in the development of MAP through this partnership to the point where Sir Hugh Kawharu (Rangitira or Chief of Ngati Whatua) supported the project on behalf of Ngati Whatua.

An expectation of the Institute of Public Policy was that a triple helix<sup>91</sup> partnership approach to governance was needed and that each partner/sector could bring experience, networks and research to bear on the task. It also, we believed, would bring a private sector discipline to the implementation of RED. New forms of governance, new institutions and new policy were needed to change behaviours in Auckland and Wellington, none of which could be achieved in a short timeframe without high-level agreement:

If you think about it again, that's another way of talking about what the Auckland problem was. It was not just a co-ordination problem, it was a separation from the ability to regionally plan and to regionally do. (Participant C).

Thus the impetus for creating a new way of thinking about the region, and how economic development could be done, formed part of the desire think and act on a metropolitan level.

### **Create a Metropolitan Region: Governance is on the table**

Whatever political governance arrangements were in Auckland partners agreed that the regional stakeholders needed to think and act regionally, particularly in RED. However, the political governance of Auckland had a heavy bearing on how RED was governed and implemented and as participant F put it the international team were careful to try and let form follow function:

One of the really interesting things for me was that I travelled with Greg Clark during the Metro process when he had the team working, and they had conversations with the chief executives of all the Councils and the various mayors and politicians. He was always very careful not to talk about political change because he knew it was unpalatable but some of the subtle messaging around organising yourself collectively across the region got traction and

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<sup>91</sup> This was an approach drawn from literature, best practice observations out of working with and teaching economic development professionals in New Zealand and from partnership with the LEED forum of the OECD.

people understood change was not only necessary but probably inevitable. (Participant F).

Part of raising the importance of Auckland to New Zealand lay in its ability to compete for talent and investment internationally. The term “metropolitan region” was often used interchangeably with “city-region” but the notion of a metropolitan region, and the naming of the project itself, brought with it implications for leadership and governance. It also provided a framework for comparisons with other metropolises and supported the argument that Auckland needed to compete on an international stage:

There was a real recognition across both political sectors and the business sector that the Auckland region was very fragmented, not only in a political sense but certainly in a “promoting Auckland to the rest of the world” [sense]. It was just not sufficiently competitive as a city-region in relation to the other ones close by like Sydney, Brisbane and Melbourne. (Participant S).

To compete internationally however it was clear to many stakeholders that regional governance had to be addressed:

...there was a view that Auckland, with seven territorial authorities and a regional authority sitting over the top, was overcooked for the size of the population and size of the city. That needed to be broken down and there were some very clear ways where that structure wasn't allowing strategic planning for a city to be done properly. So there was some hope that you could break that log jam. (Participant C).

Therefore, some stakeholders intended that MAP was a vehicle to improve regional governance not just improve RED policy and practice. Where the MAP rationale underplayed governance, some regarded MAP as a kind of Trojan Horse for private sector interests wishing to gain more control of RED decisions and the governance of Auckland:

**Researcher**

Do you think Metro was an attempt to bring a regional perspective to economic development?

**Participant**

Possibly, either that or you could also run an argument that the intention was to gain political momentum to create the [new] Auckland Council and its subsidiaries, and disestablish the existing structure, because it was uncanny really... It became about governance and its outcome. Either it was an unwritten agenda by parties to it, or one party to it, Committee for Auckland, or it was used as a Trojan Horse by those that wanted it to advance that agenda. So they would cite MAP to give it that legitimacy. (Participant N).

This suspicion was also supported in the following exchange:

**Researcher**

What do you think the intentions of MAP were?

**Participant**

[Pause] Didn't people keep saying governance was not on the table?

**Researcher**

Yes.

**Participant**

Right, governance was on our table. (Participant D).

However, governance was only part of the issue, the ability to 'regionally do' (implement RED projects) was also a clear intention of the Metro stakeholders.

## **Create a Mandated RED Agency**

The 'Boston Report' had promoted the idea of a mandated REDA; this had not been taken up, and the various TLAs and the ARC all had different arrangements for economic development ranging from CCOs to business units within councils to arms-length trusts. Auckland Plus, the business unit within ARC, had promoted itself as a regional EDA while others, funded by TLAs, were regarded as local EDAs. However their parents, TLAs, still had the same functional accountabilities, and Local EDAs had already resisted a regional overlay in the form of the AREDS Office, so Auckland Plus faced similar difficulties. Local EDAs had also started to work together through AREDA. While many stakeholders did not necessarily hold with the BCG and CfA

view of having one REDA, most knew that Auckland lacked an ability to act in a coherent way regionally as the loss of a potential investor to Sydney highlighted:

...there was that famous case where Motorola had come to Auckland to establish. There was a bit of a bunfight between all the regional authorities to bid to get Motorola to set up in their particular city... conceptually where we were coming from at the time was to at least have some co-ordination in an economic development sense across the whole region to ensure that those kinds of projects wouldn't happen again. We needed to find a better place for that [function]. (Participant I).

Others believed that MAP provided ARC with an opportunity to assume regional leadership in RED:

#### **Researcher**

So what do you think the intentions of the project were?

#### **Participant**

With every project, there are internal and external ones. Externally, it was a genuine attempt to try and provide a platform for growth and vision and how you join the dots, and to look at serious opportunities for economic development. Internally it was about the chair trying to position AREDF, trying to demonstrate that the ARC could contribute in that space, and that there was room for a regional economic development agency. The relationship of the Government was also key to that, you know trying to establish a new dynamic with a new player and decision-making with Government. (Participant M).

The confluence of these forces, and the pressure from central government to deal with one agency on RED matters in Auckland, meant that a mandated REDA had potential.

### ***Conclusion***

The abiding conclusion was that MAP became a catalyst for change in 2006. Timing and context were conducive, but the aims and objectives, and the design of the intervention, galvanised stakeholders to change narratives and behaviours in Auckland. Combining local intelligence with international evidence and expertise proved to be a

powerful mix of factors. Thus, the international review, Symposium on Auckland and subsequent Metro Report were circuit breakers, allowing stakeholders to view Auckland issues and possibilities in a different light. Concerted efforts in stakeholder engagement provided an opportunity for intelligent debate and knowledge exchange. It also gained buy-in in some quarters, and, at the least, reserved agreement in others. The vast amount of effort in bringing central government and the media into the process and promoting open debate gave the project a sense of legitimacy and room to progress.

The integrated nature of the recommendations in the Metro Report was compelling and appropriate for the time. It provided a platform to change the narratives about Auckland but also to promote new kinds of behaviours; partnership, collaboration, and an integrated approach to strategy and planning. But most importantly the Metro Report provoked stakeholders to think about regionally significant issues, and the Symposium provided a forum for leaders to think how these issues might be addressed. The Metro Report provided a blueprint that connected governance to planning and action, and this highlighted the need to address regional governance issues alongside the actions that needed to be taken for economic development. Leadership, one plan, an investment prospectus and a REDA were the first four recommendations that really captured the major issues at the time and could be a litmus test for large city-regions globally.

Stakeholder intentions and expectations born out of previous experiences, combined with tripartite support in the form of the triple helix partnership, provided resilience and glue for partners in the project and the room to progress to the next stage.

There was an answer to my first research question. It is possible to design an intervention to act as a catalyst for a step-change in the economic development of a city-



region. The factors that contributed to that change are outlined in my concluding chapter (10). The next chapter outlines the qualifying factors that mediated what was possible, and these must be taken into consideration.

## **Chapter 7. The Metropolitan Auckland Project: Institutions, Leaders, Partnerships and Processes.**

### ***Introduction***

MAP for some was born out of a desire to see AREDS implemented. For others, it was an effort to strengthen RED efforts (regardless of the strategy), and for others, it was an opportunity to address perceived governance issues and under-investment in Auckland. It had an RED political and policy context that was both enabling and constraining, enabling in that the policy settings were conducive to forming partnerships, strategies and regional projects, constraining in that the policy settings, in scale and scope, were inadequate for a city-region the size of Auckland. Anti-Auckland sentiments were still pervasive at the highest level in government and regions outside of Auckland. If there was an element of timeliness with MAP, it was that there was a confluence of views that a more concerted effort in RED was needed. AREDS had been a successful process in that various, mainly government, agencies considered interventions at a regional level and collaborated to produce a regional strategy. Problems arose when attempts at implementing AREDS failed. MAP, therefore, on one level, became a vehicle for those involved in AREDS to pick the momentum up again:

Yes, it [AREDS] was a really good process regarding developing the strategy and it was interesting because regional politics was fraught and there was some resistance to the regional council taking a lead on it... and the strategy came together really well, within six to eight months, which was amazing for Auckland. But then it stalled, and it stalled regarding who had the mandate to take it forward and probably a lack of cohesive willingness to drive it forward... I always look back to MAP as being the turning point of picking the development momentum up again for the region... (participant H).

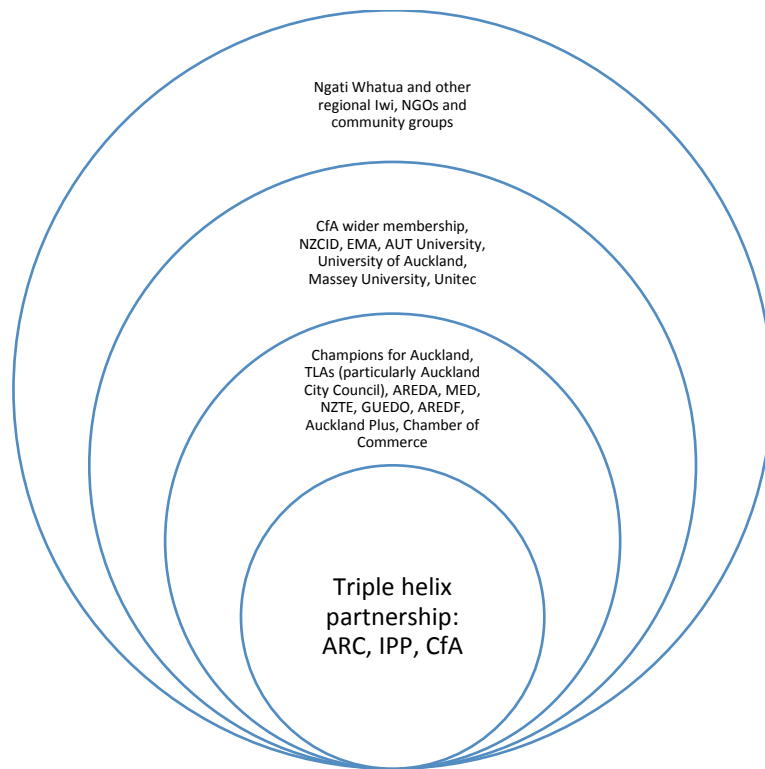
Public sector willingness was mirrored by private sector frustration and a sense of urgency around the perceived lack of Auckland's global competitiveness and inability to implement AREDS. There were also views being expressed about the inability of

Auckland to “speak with one voice” to Wellington, the differing rules and regulations between Councils, and political infighting in local government. Central government frustration had come through a perceived inability of Auckland to “get its act together” especially in RED efforts, finding through reviews of the RPP and MRI programmes that the Metro regions were not taking advantage of the policy programmes as expected.

Auckland EDAs were finding that government attempts at RED were not fit-for-purpose for Auckland and institutional arrangements (especially the AREDS Office) were top-down and untrusting of local EDAs. The Institute of Public Policy at AUT was frustrated with the way Auckland was being cast in economic forums, frustrated with the lack of understanding of the importance of Auckland to the national economy, but most importantly, frustrated with what it saw as factional governance and operations to undertake regional economic development. What follows is a discussion of the key institutions, people, processes and facets that influenced the outcomes of MAP. The chapter finishes with a summary of that discussion.

### ***Key Institutions and Organisations influencing outcomes***

Some institutions and organisations were important throughout MAP. The project touched and was influenced by many other organisations, for example, the NZCID, GIAB, Auckland Airport, Auckland University, Massey University, Ngati Whatua O Orakei and other Iwi throughout the region. However, the group deemed by the participants to be at the centre of proceedings, particularly at the genesis of the project, was the Auckland-centric partnership of IPP, CfA and ARC. Figure 16 provides a graphic illustration of concentric rings of institutions affecting outcomes in MAP. Key institutions are then described discussed regarding their influence.



**Figure 16 Key Institutions mediating outcomes of the Metro Project**

### **Committee for Auckland.**

The Committee for Auckland was instrumental in bringing influential private sector stakeholders into the project. But as a business leadership group they also had other community and academic leaders in their membership unlike other business member organisations. CfA played a role in MAP that no other group could play, in that it was able to bring together leaders from different sectors. They were also able to attract the attention and influence of central government politicians. Although its membership included universities, the Auckland City Mission (a charitable organisation) and health boards, for example, its main membership came from large and often influential private sector organisations including banks, lawyers, finance and insurance companies, consultants and developers and as such had limited time for cumbersome bureaucratic processes:

I think probably the Committee's biggest contribution was that Symposium for Auckland and the circuit-breaker it was. Remember, we got into trouble because it was by invitation only so we didn't have all the low-level flunkies

that go to all these usual things and sit around and never do anything. So they weren't on the invite list. If you were on the invitation list you were a decision-maker, and you had the power and the what-not to do something about any recommendations, and we had the novel idea of actually inviting the senior decision-makers from Wellington... they were surprised and pleased that they would be welcomed to the day. (Participant D).

CfA's focus on cross-sector leadership and civic projects, however, gave it more latitude with public sector officials:

The business lobby absolutely had its own agenda, and fair enough. That's not a sinister thing because those that were involved in the Committee for Auckland were involved for... "Auckland Inc" and that "we must be able to do this a better way", which is quite different, say, from the Chamber or the EMA, who were more self-interested regarding the outcome for their members. Quite different. (Participant L).

The key mechanism they used to influence leaders after the Metro Report was the Symposium on Auckland, where both private and public sector leaders from Auckland and Wellington were invited to come together in a professionally facilitated day to focus on the next steps. As participant I observed '...It was just the most extraordinary meeting because we never thought that those people would come...'

The diverse and influential membership of CfA also played a part in gaining local government acceptance of the need for change, even if, due to history, there was some weariness at a local government level in allowing such a group to have so much influence in regional policy development. Having CfA involved also meant that a business-like approach could be taken:

I think it was a powerful group. It did get things like the symposium going so I suppose they were and are very much about getting things done and doing it in a far more streamlined and business-like way than local government tends to be able to... (Participant R).

For CfA being partners in MAP provided an opportunity to demonstrate civic leadership:

I think they were a really active business community, the Committee for Auckland at the time. They were sick of a whole range of things, and they were really wanting to show positive civic leadership. They wanted to build to something; they didn't want just to harass people. (Participant O).

Having CfA as a partner in MAP also provided an extraordinary opportunity to promote innovative governance mechanisms that had wider reach than government agencies:

There was just a coming together of leadership, a willingness to work together and wanting action and Auckland to get its act together. Not necessarily waiting for government to get its act together. (Participant O).

Following on from the symposium many things happened. Not all were overt or planned, and some were far reaching such as three mayors and a number of private sector leaders promoting amalgamation together (see Symposium on Auckland). Some participants considered that CfA members like Stephen Tindall, Nick Main, Brian Moggridge and Sir Ron Carter were influential in promoting governance changes for Auckland:

...I think the engine room was the Committee for Auckland. Now that was founded by Brian Moggridge and driven by Sir Ron Carter. I thought these guys stood outside the pettiness of local government and said, lift your sights. (Participant B).

These kinds of high-level private sector leaders were not usually found in regional policy or decision-making processes, and the fact that they were promoting change and remained determined throughout MAP for governance changes influenced central government thinking:

For us, what came out of the [Metro] review we used to repeat over and over again: it was four things, leadership, vision, plan and the ability to deliver. Because they were so clear, and there were so few of them, you could then make that an agenda. But what were the objectives of MAP? Were the terms of reference somewhere? [Irony] (Participant D).

There were lots of players in this, but Committee for Auckland had a very catalytic role in getting this rolling and that was probably at two levels. First, I think getting it rolling amongst the mayors, and second, getting it to a position

where central government was receptive to this as something that needed to be changed. (Participant C).

That Committee for Auckland, they did bloody well. Sir Ron Carter, I know when I was down at the PM's department he was an amazing advocate... (Participant L).

CfA continued to reinforce the importance of Auckland to New Zealand and continued to work on the leadership of Auckland throughout MAP right up until the amalgamation of Auckland's councils in 2010:

I think MAP sort of morphed and you could call it an umbrella, after Greg's report the next thing we did was 'The Case for Auckland' where we took a lead from The Case for London, followed with pride. That's where Kate Pender, who came out of AREDS and into the Committee for Auckland, insisted that we had to do that GDP work; what's the GDP contribution of Auckland to New Zealand? That was a revelation to everybody. (Participant D).

## **ARC**

The Auckland Regional Council was new to economic development. It had, before the Local Government Act (2002), not been involved in economic development other than through its regional planning processes, where it was often at odds with local councils on development proposals. In line with its previous role and legislative mandate it had a culture of environmental protection and regional planning but was seen by many as anti-development. Thus its history played a part in holding the ARC back from having a strategic role in RED:

It's interesting because when I first joined local government and I hadn't had much to do with local government, I had just assumed that the ARC would be having this big strategic role over things... what I found was there wasn't necessarily an acceptance that it had this big strategic role and in many people's minds it was the environmental protection agency and the transport agency...so I don't know if it's adversarial but... I did find council colleagues quite unaccepting of the ARC's wider strategic role. (Withheld).

...those other local governments were always going to contest the ARC's right to provide significant leadership in this region... (Participant S).

Nonetheless after 2000, post the Competitive Auckland report and during the Labour-led Government's re-vitalisation of regional development policies, the ARC undertook to develop AREDS assisted mainly by the Auckland City Council. It was a successful consultative process that enabled councils, and their development agencies, to work together. However, the implementation of AREDS proved challenging, with local EDAs working to local mandates and territorial authorities concerned mainly with their sub-regional developments placing local politics before regional considerations. This left the ARC with little capacity in a contested funding environment to lead and implement AREDS, and with a relatively short involvement in RED scepticism about its capability to play a leadership role:

The Regional Council was a body that saw itself giving a lot of leadership. Its difficulty was that its views on leadership were not widely accepted, so its desire to be a leader was without doubt, it's a question of whether it was making decisions that were widely representative of strong and good thinking for the city. (Participant G).

There was always these mixed accountabilities. Economic development; the regional council was a latecomer because we'd been pretty much excluded by earlier legislation so we were seen as getting into other people's business... (Participant R).

Map presented ARC with the opportunity to take a fresh look at how AREDS might be implemented and how ARC could make its mark in RED policy and practice:

...so you had the AREDS framework but people were wanting the next tangible thing... so Michael [Barnett], was pretty pivotal in making that happen, and the partnership with IPP. ARC were the new kids, we came into that process as it had already begun and we muscled our way in and people sort of wanted us and didn't in a way... We were building capacity as well... (Participant O).

The organisation itself, however, was at best ambivalent towards economic development:



... They were largely following a planning edict, which was their genesis, so it was hardly surprising that they would look at most things through the eyes of a regional planner, but there's more to the subject than regional planning. Just the social processes<sup>92</sup> that had to be acceptable before you can adopt a strongly principled ideology, if you like, gave them almost an impossible hurdle, given their structure. (Participant G).

...The ARC, was probably a product of the aspirations of the people involved than the body itself. I'm not entirely convinced the body itself had any view. The individuals in it did. (Participant L).

This ambivalence was compounded by the lack of experience in RED and mixed or conflicting accountabilities, even if some of the individuals in the organisation and the newly formed business unit Auckland Plus were experienced in RED. However the chair of AREDF worked hard to ensure they took leadership in the project:

It was within the ARC and arose out of the new Economic Development Agency. It had legs because of the political dynamics of the relationship between Mike Lee and Michael Barnett which meant it was given more licence than you would normally expect for a completely new initiative, even though it didn't necessarily enjoy the confidence of the whole of the Council... (Participant M).

Many also questioned the organisation's ability to implement MAP given its historical regulatory, policy and planning roles and the culture within the organisation:

It was in a regional council that was basically a strategic planning organisation but without the ability to implement...this is not his [ARC chairman] language - economic development. So again, there is a lack of alignment with what you were trying to do in economic development that required you to be able to do certain things that were clearly identified in here [Metro Report]. Activate the Waterfront, activate an innovation centre, activate.., 'bring the world to Auckland' - an events strategy programme, but you can't do those things there [ARC]. These guys couldn't, they don't have the funding, small rates... they've got lots of other things to do... if you are a person who is driven by implementing stuff it would have driven you mad. (Participant C).

Alongside these dynamics, the ARC had no appetite for considering wider notions of the governance of Auckland that CfA and others thought were important. Instead, ARC

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<sup>92</sup> Referring to the compulsory requirement for regional consultation in the Local Government Act (2002) for any power of general competence

attempted to bring a cross-sector approach to the governance of the Metro Action Plan in AREDF. Central government remained outside the forum advising, but not deciding, on issues. When it came to the implementation of MAP there was also criticism that the ARC watered down the recommendations from the Metro Report to focus on those things that were within their control, those things that were within their capability and capacity, and those things with an economic development focus, rather than recommendations that addressed leadership or governance:

This was a filtering, wasn't it, because not all of these are directly building off the Metro Report... It's not as focused, to be honest [referring to the Metro Action Plan]. AREDS was underneath the old Regional Council so was probably constrained by that thinking. So you've taken all this governance stuff here, about having an integrated regional approach to transforming Auckland, out. (Participant C).

## **IPP**

IPP was a new research institute and part of a new university (AUT) that had progressed from being an Institute of Technology (AIT) in 2000. In this respect IPP was keen to establish itself as a thought leader in RED. As one part of a “triple helix” partnership arrangement that supported MAP, it provided IPP with an opportunity to demonstrate a new approach to governance and innovation in RED in Auckland:

AUT played an important role in that and I think that's one thing if you compare what AUT was doing in that space compared to the Auckland University that didn't really see that local things were that important. It was quite smart of AUT to move into that space. But also, they did perform a really good kind of both facilitating but also refereeing sort of a role... it was so much better than it had been when we had the Auckland office [AREDS Office]. (Participant R).

During the development of a graduate diploma in economic development (GDED) IPP became a partner of the LEED programme within the OECD. The LEED programme's Forum on Cities and Regions, chaired by Greg Clark at the time, influenced both the GDED and the framing of MAP. After involvement in a number of regional

conferences, where it was evident that little progress had been made towards a regional approach being developed in Auckland, and when work with the local EDAs to collaborate on a regional basis was not gaining traction with central government, it was concluded that a partnership with Auckland business leaders and local [and regional] government was needed.

Central government's regional development policies provided the context for Professor Ian Shirley to prepare a proposal to the government on RED for the Auckland city-region titled 'The Metropolitan Auckland Project.' Professor Shirley and I promoted MAP to local government (including the ARC) and CfA. The RPP had provided the platform and, as participant R put it, the 'facilitative' and 'refereeing' roles that AUT played were important in the formation and early stages of MAP. AUT was seen as a partner with little to gain other than in reputation and, therefore, able to provide a bridge between the private and public sectors. It also gave the project some academic rigour and credibility with strong networks in RED:

AUT had established itself and was interested; I'm sure, in establishing itself as a leader within economic development thinking, growth and governance... but it was also... quite a balanced sort of view, asking questions as much as providing answers. (Participant L).

I can't remember all the detail but I know there were tensions at different times with Committee for Auckland wanting to do things or ARC but you seemed to manage the way through that... AUT, you got the Greg Clark connection... OECD man's connection [referring to Sergio Arzeni, Director LEED Programme] so you managed to bring the whole international flavour to it... (Participant H).

I liked AUT being involved, or the Institute of Public Policy, because that was a more neutral player on the landscape and whenever you think of university you think of thought leadership so it was really good that AUT was taking a leadership role in bringing those partners together. (ibid).

## **GUEDO**

The Government Urban Economic Development Office set up in 2005 was a whole of government response to focusing on development issues in Auckland. It incorporated the Ministries of Economic Development, Transport and Environment and the Department of Labour. In a humorous but insightful speech delivered on the 8<sup>th</sup> July 2005, Hon. Jim Anderton, Minister for Economic Development, captured the narratives, mood and political dynamics of the time. He said:

We need to cheer on Auckland a bit more, because its economy is crucial to the success of the New Zealand economy...

It [GUEDO] will help to integrate central government's contribution to economic and urban development of Auckland.

We've long recognised the need for strong political representation from Auckland.

The opening of this facility recognises we need a healthy representation of [central government] officials in Auckland as well, *because they are the real decision-makers. (Researcher emphasis).*

There are many challenges facing development in Auckland.

Some are common with the rest of New Zealand, such as the need to innovate and build our connections with the rest of the world.

Others are specific to Auckland.

...It makes sense to get the agencies involved in these issues working together in a whole of government approach.

...It will share a focus on economic and urban development policy.

...The need for better interaction with central government has been a strong theme in Auckland.

For a long time, there has been a need for central government to better understand Auckland perspectives and issues.

...The convenience and coordination will mean that it is easier for Auckland businesses and local government to have an input into economic policy. (Anderton, 2005, July).

Participants echoed these sentiments as to why the office was set up, but it was clear Anderton saw that major decisions affecting Auckland rested with central government.

MAP became one of the first projects the office supported. But Anderton was also aware that business voices in Auckland needed to be heard better in developing policy for Auckland and that the functions performed by MED needed to be integrated better with other agencies in Auckland:

GUEDO was born out of the MED wanting to make a stronger connection between Auckland and Wellington with corporate New Zealand moving to Auckland. My view was that MED itself needed to establish stronger links with the Auckland business community as well as the regional economic development stuff. But there was no presence in Auckland apart from functional doing parts, parts of the Companies Office and the like, but also setting up an MED office up there alone wouldn't have given the integration needed across government or with Auckland. (Participant K).

Working in this way was new for Government as well:

...we took a leaf out of what we'd seen in the UK which was how the government set up much more joined-up offices in regions for example the UK government office in Bristol... That was where that idea came from, and there is an underlying story there about the reluctance of government agencies to work together, it took quite a lot of finessing and massaging to get various people into the tent. (Participant K).

However many participants saw that government was nervous about this new way of working and that they were wary of any devolution of policy decisions or political power:

One of the other dynamics around at the time was, "well if Auckland gets its act together it's probably bigger than central government" so it could have been a bit of political jealousy around that... (Participant C).

Thus, they were wary of letting Auckland get 'too big for its boots' with a history of being aloof, disconnected and even antagonistic to Auckland and Auckland issues:

No, I thought they were nervous. I think there was a culture in Wellington like "don't let them get too big, don't let them get too powerful and too mighty." I thought that was crazy thinking, they were shackled, they were always suspicious. They had darting eyes when they came to Auckland, like "what the fuck is going on here." Well, I'll tell you what's going on here, we're growing up fast. So I thought that was always their kind of attitude. Wellington has always been suspicious of Auckland. (Participant B).

A part of it was many agencies from Wellington were absolutely disconnected from Auckland business. They threw in an office here on the basis that they would be connected to Auckland business. Well, you may as well not have wasted your bloody time, quite frankly, because you assumed because you had an office here that business would connect with you. No. (Participant E).

There were also strong views of the efficacy of such an office and the willingness to partner with Auckland stakeholders:

They were seen as the spy agency for Wellington. That's not a very nice expression [laughter]... (Participant E).

No. I'm still not entirely clear what it did. What are GUEDO's achievements? A bunch of self-righteous central government prats. They were actually up here to tell Auckland what to do, because we were silly and naive. (Participant J).

...The intent, I'm sure, was noble, but if they were the best brains available I think we're in real trouble. There was one or two obviously good, no I don't know what they did. I'm really not sure what they achieved. Good? They had a really good meeting place; they provided a really good meeting room, and they always had good catering. (Participant L).

One of the intentions of the office was to gain a better understanding of city-regions and the importance of Auckland to the national economy and, in so doing, reinforce the importance of the office itself:

I think surely GUEDO came out of the realisation that Auckland was such a major part of New Zealand's economy, therefore to not have a connection here was foolish. I think we'd all been asking for it for quite a while, too. (Participant D).

...I also think part of the intention was how to get Wellington and central government to recognise some of the changes that may need to happen in Auckland. For them to increase their understanding about Auckland and the issues that it faced and what probably needed to happen up here for Auckland to become more internationally competitive. So in some ways, it probably helped the office get attention. (Participant Q).

There was also the need to convince central government officials and politicians that Auckland actually needed specific policy attention and that the office could have a wider benefit to New Zealand in policy development in that it ‘also helped with the focus of central government on the importance of getting cities right’ and that it ‘wasn’t just an Auckland issue’. (Participant C). MAP provided an opportunity to work with key Auckland stakeholders on some these issues:

The office had just started in 2005 when MAP project came up... so our involvement I think was really to support it... try to get Government involved in it, to get Government at the table... we thought it was a good thing to start getting Auckland on the agenda. (Participant O).

To do this however required far better communication lines, or, as some participants called it, translation services and myth-busting between Auckland and Wellington:

It’s a bit like Zaphod Beeblebrox in the Hitchhiker’s Guide to the Galaxy, the translation between Auckland and Wellington sometimes isn’t straightforward. It seems to be, sometimes, absolutely bizarre. They don’t understand each other very well and you have to be able to stand in the middle and translate... (Participant K).

...I’m just a simple local government guy, and you’d struggle; “what the hell do they mean!” [laughter]. They must be a hell of a lot more sophisticated than we are [laughter, sarcasm]. (Participant J).

I always thought that Wellington spoke a different language that Aucklanders didn’t understand - they did! The only person that seemed to understand it, could translate it, was Helen [Clark]. She understood the language, you know, they’re Ewoks. (Participant B).

As a result some people felt like they had to act as bridge-builders and myth-busters between Auckland and Wellington:

Definitely, I saw my role as myth-busting in Wellington. Constantly saying “actually that’s not true, that isn’t really what’s happening.” Helping people up here (in Auckland) frame things so that Wellington would understand it better, but really helping, igniting a fire down there (in Wellington)... I think they’re such vital roles but they’re really hard to do well, because I couldn’t be seen down there as just an advocate only, do you know what I mean?... “here’s the

Auckland advocate.” So I had to manage down there quite carefully but I never colluded with the myths. (Participant O).

For CfA in particular, the Metro Partnership and other stakeholders in general, however, it meant that there was a connector between them and Wellington, and they found that very helpful during the project:

...you could ask the executive director who to talk to about so and so or the best entry point because we’re extraordinarily illiterate in Auckland about how to work that central government environment. It’s just another country to us. (Participant D).

It gave us all legitimacy to talk to the government more directly about the relationship with Auckland based on better local knowledge and a better role that the government itself could play. Ministers themselves liked the idea of what GUEDO was about, provided it didn’t supplant their own role. Having an engagement with Auckland, a more joined-up view across government agencies and speaking more directly to the government proved to be pretty useful, from my point of view. (Participant K).

## **TLAs**

Following successive attempts at organising for the implementation of AREDS through the TLA formed, business-led, Implementation Leaders Group (ILG) and the AREDS Office the seven TLAs in the Auckland region regarded MAP as a further attempt to gain traction in the implementation of AREDS (Rowe, 2014).

Regarding the economic development context of 2005 and 2006, it benefitted and suffered from being very fragmented across the region. The benefit was a real closeness, a skin-in-the-game and a “hearts and minds” involvement with a part of the Auckland region that was big enough to matter and small enough to care. The limitation of that is business worked across those boundaries... they lived in one part of town, commuted across and into another, and the talk of the time, and it was business lobbies primarily, and regional lobbies in economic development, were advocating for a pan-Auckland approach. (Participant L).

They were, therefore, sceptical about this latest attempt with ARC as a lead partner in the project, but were prepared to engage in a week long process led by an “objective” outside group (international review team) put together by a “neutral” party (AUT).



Further, high-level business engagement and endorsement from CfA also peaked their interest, at the very least from a risk management perspective:

Was I untrusting? Did I have a sense of powerlessness? Did I not engage just through my own lack of effort? I don't know. It always seemed to be something that was kind of happening over here, whether or not I was involved, yet actually arguably by the roles I held I probably should have been a central player. I never felt that. I always felt as though it was probably convenient if I was involved and supported it but not a deal-breaker if I didn't. (Participant L).

The week-long engagement with a series of meetings and forums brought TLAs into the process, and their engagement with the international team was a robust exchange. The diversity and experience of the team, the connection to the LEED programme in the OECD and my inclusion as an independent local advisor provided some comfort and an expectation of learning and independent advice for TLAs:

I think bringing in the OECD focus, the international focus, and giving it a bit of life and status through bringing in people like Greg Clark and others really put economic development on the map in Auckland. Because it had been poor brother to all sorts of things for a couple of decades really, in terms of what government was doing. I think the TLAs worked really hard in their own areas but in almost a community business development role than doing any more active stimulation of the economy or working with central government... Having people like the universities and some of the big industry players as well as central government, all meant that there was a real chance that we were going to get some commitment to take some things a lot further. (Participant R).

During the week-long engagement it became evident that there was strong territorial and functional demarcation across the region and divisive tension between TLAs and the ARC:

...I think from memory over two hundred lawsuits by the regional council were on the books against their own local councils. So when the council wanted to be progressive, which Rodney District Council for example did in a number of ways, anything the ARC didn't like, even though you'd gone through the democratic process, they would slap a lawsuit on it because they didn't agree with the end result... (Participant P).

Not only was there tension between TLAs and the regional council but between TLAs themselves:

... Auckland was just feudal; little kingdoms that ran around poking each other. The Mayoral Forums were full of snide remarks. I thought this is all bullshit. In my place, on one side of the street you could light fires if you wanted to, and on the other side of the street, you could be put in jail for doing the same. On one side of the street the fencing of your pool had to be 1.2 metres high, and on the other side they didn't look. So come on, I'd say "surely we're one large area called Auckland", can't we have a common rate-base, and my Council would say "oh no, we do this, and Auckland does that", and I'd say, "this is bizarre". (Participant B).

There were also as a result, some believed, inefficiencies:<sup>93</sup>

I wrote an article that was published in the Local Government Magazine which stated that if local councils and regional councils were private companies they would all go bankrupt, they're so inefficient...(Participant P).

However not all saw it in such stark terms, and there was clear evidence of Councils working together on shared services, and while the AREDS implementation had faltered it had been a collaborative process. That goodwill also translated into some examples of TLAs supporting others with particular strengths to take a leadership role:

...I think everyone left their hats at the door for the Rugby World Cup. In its governance, the local authority governance around it, and the way the local authorities committed to it, as much as you can, I think hats were left at the door for that... (Participant L).

As MAP progressed and gained support 'A Leadership Commission', as the first recommendation, became something that needed to be addressed, but TLAs were still reluctant:

There was an institutional context. One of the challenges once we produced the plan was that there were various ingredients in the region so that the councils picked and chose which things they engaged in rather than collectively saying "we're going to support this plan and everything in the plan". (Participant F).

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<sup>93</sup> For an alternative view see, for example, Local Government New Zealand (2010) 'Myth-busters: examining common perceptions about local government in New Zealand.'

This led some to believe that the TLA context led to a gridlock in Auckland's ability to implement the Metro Report's recommendations and, as participant J put it, '...councils couldn't to drive it.'

Thus a combination of previous experience in economic development at the local level, the lack of a collective approach, and resistance to working with the ARC in economic development meant that work had to be done to bring more cohesiveness to RED in Auckland. The AREDF provided a platform for that to happen but with a mix of actors rather than just local government representatives.

## **AREDF**

AREDF was formed as a standing committee of the ARC in 2005. Michael Barnett, CEO of the Auckland Chamber of Commerce and ARC councillor was chair. Michael had been instrumental in supporting MAP and the development of the Metro Action Plan. The role of the forum was described as:

- Advocacy and lobbying.
- Discuss and raise issues.
- A need to deal with high-level strategic direction, rather than day to day activities.
- A need to focus on a coordinating role and identification of regional gaps.
- Responsibility for ensuring programme/action development, but NOT implementation.
- A need to distinguish governance from administration roles and avoid overlap.

- Providing leadership and incentives for participation among stakeholders, while allowing enough independence to allow flexibility and responsiveness to changing\emerging circumstances. (ARC, 2005).

The forum was established on a representative model with 2 representatives from ARC (chair and one other councillor), EDAs (1) (chair of AREDA), TLAs (2), Pacific peoples (1), Māori (1), business (1), infrastructure (2), education and skills (2) and unions (1). It was pitched at a high level of leadership and a political rather than officer level but had difficulty gaining the infrastructure and Māori member. CfA was not represented, and neither was MED, NZTE, GUEDO or any other central government agency. Central government viewed it as an Auckland-based regional group and saw their membership as a conflict of interest as AREDF would be likely to apply for central government funding to support projects. The AREDF, therefore, had an ambitious and difficult role to play in negotiating with other functions within ARC, central government, TLAs, CfA and the newly formed Champions for Auckland. Funding and mandate were both issues:

I don't know that it stood a chance because of the local governance and economic development governance infrastructure of the day. Those competing interests and the primacy of those competing interests meant that there was only so far you could ever get with the Metro Action Plan, even if it was perfect. (Participant L).

The forum's function was described as having 'complete responsibility for the development and review of the Strategy.' Moreover, 'it has a similar role to the Regional Land Transport Committee as it makes recommendations to their stakeholders on their work programmes' (ARC, 2005) demonstrating that the ARC saw Metro as a continuation of AREDS. The forum became a focal point for communication and went some way to gaining support from TLAs and the ARC itself:

...the forum became a little bit of a platform where we could brief people and update them and keep them informed. Because we had such good buy-in with the various councils who went out and briefed and talked to their stakeholders and did all of that. Politically at the council I had good buy-in and support and we were able to drive a whole lot of things that needed to happen. (Participant E).

Officers, including Auckland Plus, were expected to facilitate the delivery of projects with partners where possible. Without central government support, either in representation or secured funding and using 'recommendations to stakeholders' to gain traction, however, was a difficult job and as participants D, L and C put it was doomed to be a 'talkfest' rather than a 'do-fest':

From my perspective all that was invisible, so it can't have been fantastic, can it. I think it must have just been in the doldrums, spinning around while the big picture unfolded. (Participant D).

The AREDF was an attempt to hold hands and hum. It never really worked... It was, actually, an ARC sub-committee, not a regional [forum]. (Participant L).

...the nature of this was that it was always going to be more of a talk-fest than a do-fest. Apart from anything else, it was structured in a way not to be a do-fest. Nobody had power or authority to do this stuff. (Participant C).

Other participants also thought that the institutional culture strongly mediated what was possible and may explain why some stakeholders did not join or engage with AREDF:

I think that the thinking under in the ARC at the time was very averse to economic development... Only Michael Barnett, who was treated as a bit of a leper because he liked development and commercialisation. But people were just opposed to Infratil for example. Buses; they wanted everything public, which is admirable but they put every road block and road chock in the way. They laid on the tracks of progress. (Participant B).

Given the mandate of the forum, and the various factions not engaged, there was limited leverage to support the Action Plan. Central government was also watching the associated governance debates with interest and stood back from AREDF. Thus, the

strategic nature of the Forum was aligned with an organisation more adept at environmental planning than RED. As a result AREDF was perceived as ‘a product of the confused and often uncooperative governance arrangements in place at the time’ (participant F) creating a structure that was bureaucratic and tightly controlled with a limited ability to influence regional stakeholders:

It certainly wasn’t governed well. It was my first experience of a bureaucratically controlled, bureaucrat and chairman-controlled Forum. We weren’t a committee, we were an audience. Every time I questioned something, I was basically sent out of the room; I was ostracised. (Participant L).

However AREDF, despite these negative views and constraints, did manage to achieve outcomes through Auckland Plus, the Metro Project Action Plan and through the influence of its members discussed in chapter eight.

## **Auckland Plus**

Auckland Plus was also established in 2005, with its independent board, as a business unit within the ARC. It appointed a CEO from a CEO of a local EDA; Enterprise Waitakere. Auckland Plus was faced with the difficult job of creating a regional EDA where before Auckland only had local EDAs attached to TLAs. They were also confronted with trying to gain support for MAP and the Action Plan from those same EDAs:

I found this interesting that as an active Board member on one of seven regional development agencies [referring to local EDAs] in Auckland, the Metro Project really had no profile. In fact, it had no profile within our Board at all to the point where I think you could ask any Board member and they would look at you blankly. That is not right...

Therefore, does that explain why there was so much antagonism between Auckland Plus and the other agencies? Yes, because the other agencies saw Auckland Plus as being another agency and couldn’t understand why Auckland Plus was trying to run over the top of them all the time. So then you take that back to, say, Manukau, did the chief executive of Manukau understand that, that Auckland Plus was the regional one? No. (Participant A).

...what was clear is that Auckland Plus got into the same problem with the local economic development agencies that the ARC had got into with the different local governments. (Participant S).

Auckland Plus played a pivotal role in securing funding for MAP under the RPP and, after the Metro Report had been delivered, in securing added funding from central government to complete the Action Plan. MAP had given Auckland Plus the opportunity to create a work programme and an Action Plan for AREDS and as participant S put it 'MAP actually gave Auckland Plus at that regional level a better focus' even if the implementation task may have been too great for the organisation:

Definitely, Auckland Plus obviously tried to have dedicated people to bring the different stakeholders together. It was a huge amount of work. Don't underestimate how much is needed to pull something like this off. As a region, we do tend to do that, we think, oh, we set up an office and we bring a few people in, but that's just the tip of the iceberg regarding how much effort is needed to coordinate the right people and then to make a difference. But Auckland Plus certainly did a better job than what we had done in AREDS in co-ordination and project management. (Participant H).

It became apparent, however, that the agency lacked the capacity and capability to take on the Metro Action Plan with ambivalent support from its parent organisation and lacking the necessary funding and regional mandate. As Business Commentator, in the regions daily newspaper The Herald, Fran O'Sullivan commented:

The trouble is that Auckland Plus - the economic development agency within the Auckland Regional Council which has been coordinating the overall effort - doesn't have the necessary heft or power to execute the plan. (O'Sullivan, 2006).

Auckland Plus was limited by its parent and funding. It also did not have the requisite political mandate which meant that unrealistic expectations were placed on it:

Without implementing the first recommendation, that's the leadership commission, you would never get the hutzpah, the actual energy, the drive, the strategic decision-making capacity to implement the rest of the plan because it

would always be within the confines of the capability and capacity of, in this case, Auckland Plus, and so that was an unrealistic expectation. (Participant S).

A key then for Auckland Plus to implement the Metro Action Plan was leveraging partners and private sector engagement. As they had been part of the triple helix partnership arrangement that had delivered the Metro Report, engagement, forums and the Symposium on Auckland, they were familiar with the approach and were able to create some momentum behind the Action Plan:

There was definitely a lot more momentum behind the drive to implement Metro than the AREDS strategy, so that was positive. Setting up Auckland Plus with their Board was a good move to have some dedicated people try and co-ordinate efforts. What was still needed, however, was very strong reach out to all sorts of organisations to get it implemented. There were progress reports back to the forum and that was good, so that it was showing a sense of implementation. (Participant H).

Auckland Plus worked hard to gain private sector engagement and leadership in the various work-streams of the Metro Action Plan but some believed it was unable to articulate clear outcomes from the Action Plan and thus maintain engagement:

I think Auckland Plus didn't necessarily have all the in-house capability to be able to deliver it. I suppose they tried to set up a system with these different leadership groups but it didn't always transpire into them being very clear about what they're going to do and what the different business people were going to do. (Participant Q).

The close control exerted by ARC in the development of the Action Plan had alienated some stakeholders and caused others, such as CfA, to focus on goals more important to them and left out of the Action Plan:

Your flaw was probably at the head of the shed; there was the right partnership but on the delivery there should have been more private sector and much greater resources thrown at it. So what you ended up with was local government people trying to drive business outcomes with a lack of business engagement. (Participant E).

Thus, the Metro Action Plan was criticised for being a narrow interpretation of the Metro Report, where the ARC had decided to focus on what they could control, leaving



some of the most ambitious goals of the report aside. Further, many participants believed that the institutional context for Auckland Plus caused the Action Plan to be more about planning than action.

## **Champions for Auckland**

The Champions for Auckland, organised by CfA was a group of non-government leaders in Auckland (see Appendix 4), many of whom were present at the Symposium on Auckland. It included representatives from a number of sectors including; universities and education, banking and finance, professional services, legal, financial, public relations, manufacturing, technology, transport, property, utilities, tourism, sporting and cultural, not for profit, youth and community leaders that became influential:

Do you remember the Champions for Auckland? We had quite a lot of outreach and we tried to manage some of the media for MAP as well as you can but again everybody looks at it and says self-appointed, non-elected, why are these people entitled to an opinion. I think everybody was entitled to an opinion. We didn't subvert the process, we just tried to influence decision-making. Anybody can do that. I think we were quite tactical, though. (Participant C).

In many ways, this was CfA's response to recommendation one from the Metro Report. The fact that many of the group were prepared to enter the debate and support the findings of the Metro Report got central government's attention from the Prime Minister down. However, the connection to, or partnership with, central government was missing by design which inevitably meant that much of what followed was lobbying.

[Greg] Clark started off his whole thing around leadership commission which was another way of trying to find a way through to unified local leadership...but it was much bigger than that, it was how you brought other players into the fold and ultimately I think a partnership with central government... we're still struggling with that. (Participant K).

The Champions for Auckland played a key role in managing the media and telling a story<sup>94</sup> and as participant E put it ‘we looked to them to engage with the wider community and it wasn’t just on business things, it was on social things. It was the impact that creating jobs would have for a community or keeping a manufacturing plant alive; the wider impact.’ The focus was on ‘the real economic development, not the low-hanging business-development fruit.’ Therefore an emphasis needed to be on lifting the thinking and story-telling: ‘Don’t ever underestimate it, it is about story-telling and that partnership with business was absolutely key.’ (Participant E).

In 2006 MAP had a lot of attention politically and in the media, with significant infrastructure concerns around energy supply and transport, and new regional projects like an international convention centre and a new sports stadium on the waterfront ready to host the RWC in 2011. Much of the rhetoric of the media and the narrative in the Metro Report referred to using the RWC as a catalyst for advancing infrastructure development as Fran O’Sullivan at the NZ Herald reported:

The reality is that right now the city-region’s infrastructure cannot support either the demands or opportunities associated with major international events. The Metro project has raised strong concerns at Auckland’s lack of preparedness to host Rugby World Cup 2011. Many of the business people associated with the project want a major body tasked to drive the project forward. Auckland City Council Mayor Dick Hubbard — who has been campaigning strenuously for the Mallard<sup>95</sup> [stadium] proposal — is certain it will be the key to unlocking further investment right along the CBD waterfront. At the Auckland Regional Council, where chairman Mike Lee holds sway, it’s a different story.

...Deloitte chair Nick Main — who is also co-chair of Metro Auckland Champions — supports the waterfront stadium option (‘it could be quite spectacular’). (O’Sullivan, 2006, D3)

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<sup>94</sup> See for example: *Project Auckland: Enough Talk*, New Zealand Herald feature section 21 Nov 2006.

<sup>95</sup> Referring to the Rt Hon Trevor Mallard, minister for sports in 2006.

## NZCID

The New Zealand Council for Infrastructure Development was and is an organisation to promote ‘best practice in national infrastructure development through research, advocacy and public and private sector collaboration.’ Formed in 2004 their membership encompassed ‘New Zealand’s leading private and public sector infrastructure organisations including the leading construction, design engineering firms to the major lending institutions, equity investors, utility providers and professional service providers.’<sup>96</sup> NZCID was a strong advocate for gaining more consistent rules for development across the Auckland region and in promoting the idea that improved infrastructure in Auckland would underpin economic development. In October 2008 NZCID produced the ‘One Auckland Report.’ In it they stressed that Auckland’s infrastructure development issues required more than local government attention and that the wider concept of governance was needed to address Auckland’s infrastructure deficit:

Governance is more than just the authority of local government to impose its statutory power over others. It’s about the effectiveness of the interrelationships between the people within the region and all the groups that make up society. It’s about the effectiveness of the region’s connection with its external partners, including central government. (NZCID, 2008, p.7).

NZCID also played a key role in supporting the establishment of the Royal Commission on Auckland Governance and in contributing to the debate:

Would we have got a Royal Commission on Auckland Governance without the Metro Project? No. For the record though, the idea of the Royal Commission was Matthew Cochrane’s, who was chairing NZCID at the time... (Participant D).

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<sup>96</sup> <http://www.nzcid.org.nz>

## NZTE

NZTE regarded themselves as central government's EDA and the operational arm of MED. NZTE was pivotal in supporting MAP funding to bring the international team to Auckland and in providing extra funding for the development of the Metro Action Plan. However, they had different ideas from the partners on who should lead the review preferring the OECD Territorial Forum, which they regarded as having a harder economic edge than the LEED Forum as participants I and D recalled:

I mean, to be honest, that's kind of where we had a little disagreement with AUT; whether it came from a regional partner's perspective for economic development. I know Sergio Arzeni was actually the catalyst behind the regional partnerships programme, that's where it came from in the first place, and he'd been out here a couple of times before. But from Jonathan King's perspective [a previous CEO of NZTE], because he was working in the OECD with the Cities and Territorial Economies Forum, was we were looking at the hard edge of economic development; how do you actually get this region making its industry and business work better? How do we attract international investment into this particular region to make it grow? We had to compromise in the end, and the compromise worked. (Participant I).

...NZT&E came in and said we'd do a different review from a different part of OECD, and we all went no, no, we're not doing that, if we do not have Greg, it's not useful. Then we had to all run away and find a bit of funding for this review and parts of the review... I'll take a bow for sticking to my guns or the committee sticking to their guns to say not interested if it's not Greg... (Participant D).

There had also been a long-standing issue between the "national EDA" (NZTE) and local EDAs. NZTE regarded Local EDAs as lacking capacity, allowing Auckland Plus and the Metro Action Plan to gain priority over local efforts but not changing their engagement with Auckland stakeholders:

AREDS was so ill-defined that it allowed people to legitimise what they wanted to do anyway. It created an Auckland Plus, I guess, as a mechanism to do that, which actually became a useful home for things like the Rugby World Cup. It gave it an obvious home, much to NZTE's delight. Did it change any other NZTE practice or engagement with the Auckland region? No. Not at all. Little bits of money here and there but ultimately NZTE still found it really hard to engage with the Auckland region. (Participant L).

Old behaviours where NZTE displayed a certain degree of arrogance towards local EDAs and a lack of integration were still prevalent:

The problem with NZTE was that they treated the locals like children and anything that looked like it was going to be an export growth company they picked up, without telling anyone. (Participant L).

This behaviour remained in place throughout MAP as NZTE had its own programmes and KPIs to meet. A concerted effort during the Metro Action Plan process was made, under Action 1.1.3, to ‘establish well-resourced and well-coordinated response and delivery mechanisms’ in an integrated region-wide approach (see Tables 5 and 6) to ensure there was better integration for the delivery of business development programmes. A region-wide integrated approach was not achieved and the business development programmes remained as they were before MAP. What this meant was that it was possible for a single business to see multiple government agencies (local, regional or central) with different support programmes and agendas and different levels of funding. It also meant that, in a large city, there was the potential for duplication, differing advice and a lack of integration, none of which was helpful, or interesting, to a business wanting to grow.

## **AREDA**

AREDA played a significant role in the shaping of MAP with input into the project at the conceptual stages. Members recognised the need for a more coordinated approach for projects of regional significance and recognised their limitations regarding their funding and mandates. Thus, they formed AREDA to work together on a pan-Auckland basis.

So that’s really where it all started out of a sense of frustration. At the time, there were some big pan-Auckland and infrastructure projects where there

wasn't a regional view, and central government was struggling to engage with the region. Even though there were some attempts for that one voice to be created, from a collection of many voices, it was still a significant issue... (Participant L).

Their first combined effort was to apply as one region for the NZTE contract to deliver the Enterprise Training Programme – a programme that they had in separate contracts prior.<sup>97</sup> They failed to win the contract which was awarded to Gosling Chapman, a private sector accounting firm. Gosling Chapman then sub-contracted some of the EDAs in their respective localities as they did not have the capacity to implement the programme right across the region. This epitomised the fraught relationship between central government and the region in economic development implementation and the lack of credit given to the local connections and networks that the EDAs had.

Another dynamic was that EDAs funded by TLAs, with private sector boards, were intent on results in their [sub-regional] territory:

...so as Chief Executive [of an EDA] I was accountable to my Board and my funder for outcomes for our community. Through that period, there was a hardening of measurement around what those outcomes were, and so operating on a strategic level or a pan-Auckland level or a 'we're in this for the greater good' level, was butted up against the day-to-day accountabilities of that local context (withheld).

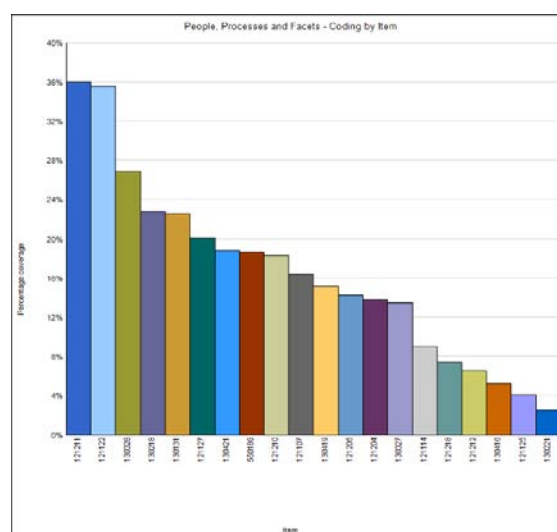
These dynamics placed AREDA in a difficult position with other RED entities, such as Gosling Chapman, the AREDS Office and Auckland Plus. This was further complicated by central government agencies delivering programmes in Auckland with little regard for the EDAs, which, they thought, was symptomatic of wider central government disdain for any kind of devolution or subsidiarity.

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<sup>97</sup> With the exception of the Pacific Business Trust, which was a central government agency with its own business development funding targeted at Pacific peoples in business.

## *People, Processes and Facets Mediating Outcomes*

This node explored how particular people, processes and facets influenced the project at a meso level. It provided context and insights into the workings of the project. Participants contributed a total of 135 references to this node. A leadership node was also explored (below) along with the MAP Partnership, that similarly had large



**Figure 17. People, Processes and Facets Node by Source**

numbers of responses indicating that the success or otherwise of the project was dependent on these facets. Other facets deemed important by participants are presented thematically.

### **Personal sacrifice and risk.**

Being part of MAP did present challenges to people involved regarding the time and resources they could commit to the project. Official funding and resources were targeted mainly at achieving reports or other outputs, whereas funding for particular supporting documents, reports, forums, discussions and communications often had to be found by partners:

...somehow through our being connected to the project, the international review came along. Everybody was away. Nick was the first director who came back from leave and I went to him and said, I've put our hand up to be part of this review and it's going to cost us quite a bit of money that we don't have. Well, he said, you'll just have to find the money then. Because, he knew it was the right thing to do. (Participant D).

We in the Committee for Auckland recognised that other cities were run differently to ours. So we actually sent the chief executive away to visit cities in the USA and Europe and particularly the UK, on about three occasions, and at a very modest cost. She went there as a paid servant of the Committee for

Auckland, just achieving on her normal salary, but economy airfares, staying at times with friends and things like that. So the cost to us, because we're a community group, was a fraction of what it would have been if she had gone to represent either of the other two institutions who would have, for reasons of their own employment, have not had to economise the way she did... (Participant G).

Often this would go beyond everyday lives and work and posed risks to those employed by agencies not supportive or ambivalent about the project. IPP took some risks in supporting the project when institutional demands would have had it focussing on other revenue earning activities, teaching or research outputs. However, there were long term civic and institutional gains to be achieved in supporting MAP:

I did think the initiative taken to get Greg Clark involved was extremely valuable to us all. I think that came from your institution, didn't it? I think that we saw the involvement of Greg Clark, as an outside observer with considerable experience, as something that everybody looked up to... (Participant G).

Not only those employed took risks; there were political careers at stake. Some of the elected people were promoting the idea that they would no longer have a job. Bob Harvey was promoting the idea that there would be no Mayor of Waitakere:

There was sacrifice being accepted by a large number of people and they only accept that if they really believe it was for the greater good. Somehow or other you've got to believe there'll be a better outcome for you if you promote a better result. It ought to affect you at a personal level, too... (Participant G).

....For some of us, a change in governance may mean termination or modification of our political careers. We accept this possibility and while none of us want premature termination of our careers, we accept that the interests of greater Auckland come before our individual interests. (Excerpt from Appendix 8: Letter to Helen).

Many in the private sector also had few reasons to engage other than a belief that it was for the greater good:

I look back; I think it was a remarkably successful exercise to be honest. When you consider most of that project was people doing it in addition to what they were doing ordinarily... In fact, probably ninety per cent volunteers who were

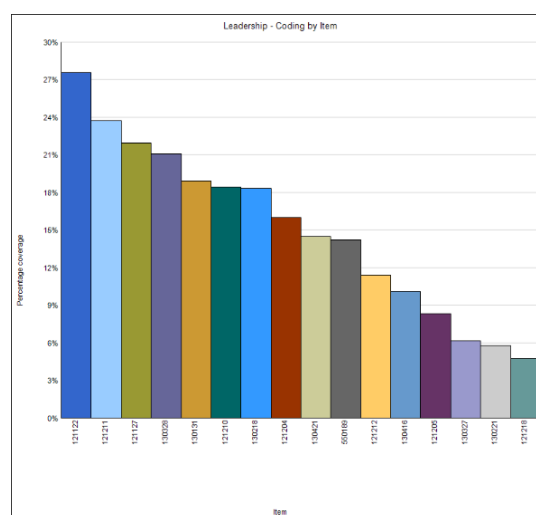


paying other people, paying for all the other staff costs that come with it. If you look at the funding and the people behind it, there was quite a lot of civic input, people trying to do good and make a change. But I'd still say it was a lot of fun [laughs]. You look back and you think some of the times you had a go at something and it's made a bit of difference. (Participant C).

Participants recalled several people who played key roles in various stages progressing MAP working across institutions, sectors and boundaries at personal career risk. This analysis has been excluded to protect those individuals.

## Leadership, Influence and Persuasion

The leadership node was strongly supported by sixteen sources and 111 references in the NVivo analysis. Leadership is a contested concept. No attempt has been made here to define leadership. Where participants have made specific reference, and it was relevant in helping to understand the role leadership played in the outcomes of the project, the reference was included. Responses have



**Figure 18. Leadership Node by Source**

therefore been selected and grouped into different types of leadership prevalent during MAP. For example, notions of power and influence exerted through reputation or position, group leadership through partnership and collaboration, individuals displaying leadership and examples of people stepping outside the bounds of their institutional context to commit to a higher principle, were evident:

I think it was that coalition of leadership. Some bright people, capable people, who were prepared to speak out and prepared to use their reputations to make some change, and then Ron, Sir Ron is so well regarded that if he asks somebody to do something they will usually find a way to say yes. So there were some pivotal personalities as well. (Participant D).

Greg Clark as leader of the International Review Team, and lead author of the Metro Report was highly regarded by participants:

Metro Project is up in neons to me and I want it to get full credit for its smart thinking. There's people there that I admire like Kaaren Goodall. They got it, and Greg Clark. We should put up a civic statue to Greg Clark, next to Lord Auckland, in the front of the Civic Chamber [humour]. He said it as it was. He was inspirational and in the gap, the vacuum, he filled it. (Participant B).

Greg also received praise for remaining connected to developments throughout and post the project:

The relationship built with Greg evolved with him peer reviewing the Report of the Royal Commission but also the Auckland Plan and ultimately the recently released Auckland Economic Development Strategy. Greg also provided strategic advice around hosting RWC and the way Auckland leveraged this event for business outcomes. (Participant F).

A 'subtle influencing game' played by a number of people was also evident that added up to the project's ability to influence at a high level and support change. These kinds of subtle influencing roles were important as the private sector mostly had no direct influence over the TLAs, EDAs, the ARC or central government:

The nub of this, to me, is the ability to display leadership and influence. You won't find the evidence for that. All you can do is surmise that these characters were able to shape this in a way that's been beneficial. Business leaders taking a role that might make better connectivity between CRIs etcetera, but you won't find evidence of that because it's been over the table or over lunch. It's a subtle influencing game. (Participant K).

Positional and referent power<sup>98</sup> were also apparent to enable public money to be spent:

I know that when Helen [Prime Minister Helen Clark] was the Minister for Art and Culture huge things happened. It's not because she just used her power to railroad things, there's actually something else that happens in the psyche, particularly in a democracy, where you've actually got something being championed at the highest level of authority. Particularly in relation to public

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<sup>98</sup> Referent power refers to the power or influence a person has over others due to the respect or authority they carry. One who is seen to be an expert and/or believable as a result of their position or perceived or real expertise can have a marked influence over others opinions.

money and a lot of the things in the Metro Plan were actually about public money. (Participant S).

The key thing for us was bringing in those international people who could talk from their experience. We do get a bit insular in this country and we let a whole lot of other things take over. I think having people like Greg Clark... put it into perspective and took the petty parochialism out of it... (Participant I).

Leadership also needed to be shown at a regional level. While unified political leadership was fraught the regional partnership was able to bridge sectors to be heard:

Yes it was successful, but what that core partnership also did was engage with the local authorities and you recognised that you had to do that. So they might not have been sitting in the core partnership but without that Metro wouldn't have been successful because they were too powerful as a collective, so that was important. (Participant H).

The notion of a leadership commission in the Metro Report was a mechanism to find a way through to stronger regional governance (Clark, 2006a). The leadership commission recommendation played an important role alongside the notion of governance in framing the narrative of Auckland "speaking with one voice to Wellington". This was important to counter the narrative in government circles in Wellington that Auckland could never get its act together:

...it also goes back to Wellington not really understanding that the scale of the issues actually requires quite a different approach to negotiation, collaboration and resource sharing. People with power making decisions at a higher level to develop strategies that then drop down into something that is transformational. I think MAP was about transformational change and you have to constantly mediate against people getting into micro stuff because it makes them feel like they're doing something. (Participant S).

As became evident in 2006 however, government, in all forms, was missing from the subsequent attempt by CfA to establish a leadership commission through the Champions for Auckland. AREDF had taken responsibility for implementing the Metro Action Plan. Even though the Chair of AREDF, Michael Barnett, became a Champion

for Auckland it was more in his role as CEO of the Auckland Chamber of Commerce, as the ARC had no appetite for further discussions on regional leadership:

...people had to actually own it. Certainly a lot of the work that went on subsequently was driven by parties other than the Regional Council. A prime example, of course, was the issue of leadership that couldn't be owned by the Regional Council because it would have meant they were turkeys voting for an early Christmas. You actually needed that led by the private sector, and because we [referring to the MAP partnership] started conversations with the private sector, what you saw was people standing up and wanting to own that opportunity. (Participant F).

The Champions for Auckland were successful in pushing a common agenda for stronger regional governance for Auckland both individually and as a collective:

It's not for the kumara to say how sweet it is but I think there were some brave people involved in this. Matthew with the Royal Commission, that was a brave move. Stephen Tindall, after the symposium with some of the action planning, he stood up and said we cannot let this leadership thing slide. Even Nick [Main], "well you'll just have to find the money then" [laughter]. Sir Ron [Carter], you might think, well, someone with his confidence and credentials did not need to be involved, but he went doggedly around after the Royal Commission, and he sat with Penny Hulse<sup>99</sup>, he sat with Len [Brown]<sup>100</sup> and he said: "have you ever thought that in this new Council all the things that you've been worrying about losing could be brought into the new Council and the Waitakere way becomes the way we do things, or the Manukau way becomes the way we do things. Why do you think we're going to lose it?" Those are courageous conversations with a mayor or a deputy mayor, and you have to be the right person to be able to have them. So he had to put his suit on and think about what he was going to say. (Participant D).

But for MAP, a project about Auckland, it was not enough to have broad political and private sector support within Auckland; the notion had to be accepted or at least granted room to progress by central government officials and agencies. The region needed to "speak with one voice" and convey to central government the region's understanding of the leadership required to make Auckland an "internationally competitive city-region" which required action on political and policy fronts. In this context, however, there was

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<sup>99</sup> Then Deputy Mayor of Waitakere City, followed by two terms as Deputy Mayor of Auckland in the new Auckland Council at the time of writing.

<sup>100</sup> Then Deputy Mayor of Manukau City, followed by two terms as Mayor of Auckland in the new Auckland Council at the time of writing.

impatience with any bureaucratic process defending established policy positions. Thus, the notion of civic leadership was also identified by participants where, aligned to the notion that there needed to be personal sacrifice, people had a sense that there was a greater-good involved and that both the public and private sectors needed to play a role:

I think when you've got people standing up, giving targets, giving people deliverables, telling people how they can help, engaging with the business community, making them feel as though they've got engagement and ownership, and having some champions. Some people in your community that every time they stand up are going to say "I'm associated with this and this is what we're doing", it makes a huge amount of difference. (Participant E).

Finally, regarding influence, the notion of bridge-builders became apparent, between sectors, partners and layers of government. In this respect I found myself, as a university representative, a bridge-builder between the public and private sectors, and others, like executive director of GUEDO, the chair of AREDF and the CEO of Auckland Plus, between Wellington and Auckland:

So to me, it was the partnership, and obviously, there was your leadership and the university leadership and so on. The ARC might have been central when it came to the actions, but it was very much guided by the thinking of the university and those within the University. Then look at their networks, so bringing in Committee for Auckland, bringing in policy, bringing in NZTE, for example, bringing in those networks to me made a significant difference. (Participant E).

Louise Marra, when GUEDO was set up nobody really knew what it was going to achieve, but through her commitment to building those relationships in Wellington, her secondment to the Department of Prime Minister and Cabinet, she was building those relationships in Wellington. Maybe it took a while for us to see the fruition of that... but she certainly would have helped get profile for Greg Clark at the central government political level. (Participant H).

A particular act of political leadership, mentioned above, which participants thought was both brave and fundamental to governance change in Auckland, was the "letter to Helen".

## **Letter to Helen.**

Given the impetus towards a more unified approach to the leadership of Auckland, an important facet was a letter sent to the Prime Minister Helen Clark in September 2006. It was signed by the four city council mayors, requesting that the eight Auckland councils in Auckland amalgamate (see Appendix 9). Their opening paragraphs summed up their views:

Nearly two years ago the four Mayors of Auckland came together to sing a Christmas carol on stage at the “Christmas in the Park” concert. We sang the same song together with the same tune, albeit we were not necessarily in perfect tune or harmony! We now come together again with a common voice or song on an issue that, in our opinion, is very serious and now, for reasons that we can demonstrate, urgent.

The issue is the reform of Auckland’s governance structure. We, the four Mayors of Auckland, are unanimous in our view that the governance structure in Auckland is not working properly, and, more importantly, will not and cannot deliver Auckland to be the world-class city that both you and we, desire.

Missing from the signatories were the three district councils, Rodney, Papakura and Franklin, and the ARC. This was seen by some participants as an exercise in civic and political leadership where those asking for the change had their political futures at stake. Participants saw that a letter to the Prime Minister from the four city council mayors was a seminal event, signalling to central government that changes to the governance of Auckland needed to be considered:

I think that invitation coming from Auckland - the letter from the four mayors; Auckland, Manukau, North Shore, Waitakere actually gave the government permission to do something. Really importantly the regional council wasn’t there. That was a seminal event. (Participant C).

The mayors went on to comment on the relationship between TLAs and the regional council:

In our opinion, the structure, responsibilities and “modus operandi” of the Auckland Regional Council is a problem and has an inhibitory effect. It is our opinion that the Regional Council model that works arguably well in other

parts of the country is not appropriate for a city with the size and complexity of Auckland. The focus must be on a structure that removes the conflicting, confusing and overlapping responsibilities between the ARC and the TLA's of Auckland. (Appendix 9).

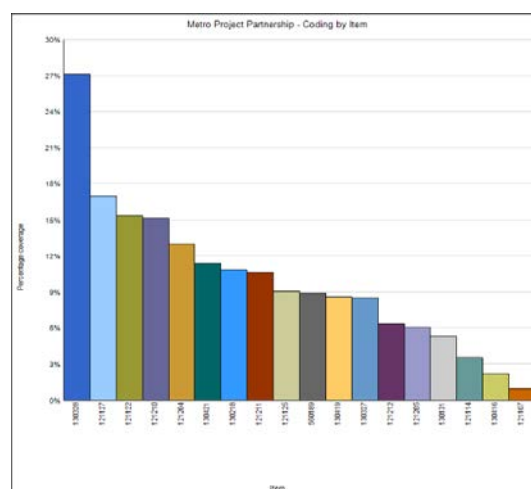
The Metro engagement process, the Metro Report, the recognition that in order to implement significant regional projects a more cohesive approach was needed, the 'subtle influencing game' played by a number of individuals, messages from and involvement in the symposium, and media interest provide context to the mayors writing the letter – none of whom were entertaining this kind of action prior to MAP. Thus political leadership had provided a tipping point:

So why was the project successful? It doesn't help to say timing. It is about that sharp focus on; it's not working, this is why it isn't working, this is what international best practice is, and enough people in positions who've got quite an investment in the status quo to be brave enough to say "try something different, we're up for that"... It wasn't until the mayors sent a letter down to central government saying I don't think this is working that it actually got going. So you had to have some mayors who were prepared to say that. (Participant C).

Another mechanism that was considered fundamental to change was the MAP partnership discussed next.

## MAP Triple Helix Partnership

The MAP partnership node had eighteen sources with 87 references. The most important mediator of what was possible in MAP was the 'triple helix' partnership between the ARC, CfA and IPP/AUT. This partnership was later joined by NZTE in the governance of the project once central government funding had been approved.



**Figure 19. MAP Triple Helix Partnership Node by Source**

However according to participant G, there was ‘three core partners in MAP’, which revealed the separation between the region and central government:

So I don’t know that it was a partnership of four. It was a partnership and then some partners were more partnery [sic] than others... So I think you really need allies even though it was a formal partnership and then inside that formal partnership there were informal relationships and true partnerships. (Participant D).

The triple helix research group at Stanford University described this kind of relationship as a triadic one between university-business-government where the purpose is ‘exploring complex innovation dynamics and informing national, regional and international innovation and development policy-making’ (Triple Helix Research Group, 2015). The MAP regional partnership was therefore a triple helix arrangement:

...I think that what you really effectively had there was what they refer to now as the triple helix. You had a university, you had the private sector and you had the public sector engaged together. (Participant F).

Otgaar et al., (2008) studied new forms of cooperation supporting regional governance in nine European metropolitan regions. Of those nine, two, Eindhoven and Helsinki, adopted triple helix forms of partnership, with six of the nine only involving the private sector in implementation rather than strategy development. Those where the private sector was involved in both strategy and implementation, such as Eindhoven, Helsinki and Copenhagen, showed innovative cross-border, cross-sector and cooperative models with emerging and strong outputs (in the case of Copenhagen).

According to the Triple Helix Research Group relationships between partners can be characterised by five main types: ‘technology transfer, collaboration and conflict moderation, collaborative leadership, substitution, and networking.’ (Triple Helix Research Group, 2015). It is also expected that the interactions between partner institutions ‘can generate new combinations of knowledge and resources that can



advance innovation theory and practice, especially at the regional level.’ (ibid). There was evidence of collaboration, collaborative leadership and new combinations of knowledge and resources:

What worked really well was those three agencies, ARC, Committee for Auckland and AUT coming together and bringing different strengths and capability to the team, so it was not just a local government piece of work... (Participant T).

There was insufficient evidence of technology transfer or substitution effects as a result of the partnership.<sup>101</sup> However, collaborative behaviours, conflict moderation, leadership and networking were evident, and, as a result, the Metro Partnership provided a platform for long-term changes to economic development and the governance of Auckland.

The university in a triple helix partnership is expected to take a ‘pro-active stance in putting knowledge to use and in creating new knowledge’ (Triple Helix Research Group, 2015). In MAP the university also developed a role as a trusted partner and mediator:

AUT, understanding the need for change, knew what they could bring to the table. Some better thinking, some better structures, and better policy. In the first instance the inclusion of the university changed the way that people viewed it, so I don’t think you could say it was because of what the Council or local government agencies thought... A huge amount of things would never have happened if the university hadn’t been engaged. Just wouldn’t have happened. A whole lot of conversations wouldn’t have happened. (Participant E).

For ARC, the notion of partnership had implications around how it interacted with business (CfA) and research (AUT) and with other forms of government (central and local). IPP/AUT brought research, knowledge and expertise to bear on the issues and

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<sup>101</sup> One might expect to see these types of transactions in a partnership focused on innovation and commercialisation

acted as a proactive partner, while continuing in a university environment with competing teaching and research commitments. CfA acted in a way that served the public interest but gave legitimate reasons for business to take the time to be involved in public debates and economic development policy and practice. Not only did respective partners have their own network dynamics, the institutions themselves had internal dynamics to deal with. However, the effect that different organisational cultures had on involvement in the project was ameliorated by the triadic nature of the partnership:

They not only had different partners, they had different networks. So if you look at the Committee for Auckland, there would have been a whole lot of people up at the ARC who would have categorised CfA as capitalist rich bastards; “don’t have anything to do with them, they’re probably in league with the government”. Whereas you can have a relationship with the university and the networks and partners that they brought in enabled that partnership to happen. It couldn’t have happened with a Committee for Auckland sitting there and saying “Mr ARC, your regional, we’ve got something”, and so on. It just would never have worked. (Participant E).

Thus the partnership lifted the ability of the respective partners to achieve what they could not have done alone: ‘If only one of us had been in that partnership we wouldn’t have gotten anywhere would we.’ (Participant D).

Some believed that the partnership demonstrated the concept of regional governance where new institutions were given the opportunity to participate in regional decisions. Participant G recalled that governance was the word Professor Robin Hambleton<sup>102</sup> used, making a distinction between governance and government, which demonstrated to us how big the task was. Once you ascribe to bringing other expertise to assist in decision-making you create momentum:

Other people appreciated how big the task was, which is not the role of a consulting engineer or a chairman of an interest group... so if you think about it, the law firms got involved, they were allowing the conversation to occur on

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<sup>102</sup> Referring to Robin Hambleton Professor of City Leadership, University of West England. See <http://people.uwe.ac.uk/Pages/person.aspx?accountname=campus%5Cr-hambleton>

their premises with their promotion and things like that. It was wider than just ourselves. There were other groups that were saying yes this is worth hearing. (Participant G).

An important component of a triple helix partnership is providing roles for partners, in bringing resources and networks to the partnership, and in creating opportunities for mutual knowledge exchange and learning to hold the partnership together (Triple Helix research group, 2015):

...I do remember the Committee for Auckland took this leadership role in the symposium and they loved that because they were there getting the businesses in, their profile, AUT, the Greg Clark connection, Sergio Arzeni, so you managed to bring the whole international flavour to it. ARC was looking to take a role in all of this, so maybe it just managed to find a role for all the partners and that's always important in a partnership... it seemed to work. (Participant H).

The triadic partnership also provided a sense of legitimacy as participants L, G and T described:

Certainly, the existence of that partnership gave the opportunity for more structured debate around the issues that were facing the region... But it did give a framework for those discussions to be held. By creating those platforms, by bringing in the international team, by building a momentum behind the discussions, it may have proved to, at the very least, accelerate the conversations and give legitimacy to the project. (Participant L).

Probably the partnership made it very difficult for the central government politicians to deny consideration of Metro because it did seem that it had a wide degree of bi-partisan or tri-partisan support. So I suppose, reflecting on it now, we achieved more than I realised we had to achieve. (Participant G).

Yes, I think the partnership worked really well. I think it brought some credibility to the project that possibly local government by itself would not have achieved, because each partner had different competencies and each element was important to make the project work. (Participant T).

Surprisingly to some, unusual partners were able to find common purpose and work together even when there had been a history of difference, even opposition, providing wider networks and outreach than would otherwise have been possible:

It wasn't an uneasy partnership either. I was always a bit careful with the Committee for Auckland but that was a little bit of history because before AREDS started, the Competitive Auckland process happened. I don't know how many meetings I was in then where basically local government just got completely bashed around. It was like being flayed at every meeting... (Participant R).

...the front through to the government agency tended to be much more ARC - Committee for Auckland side of things, but that in itself, they're quite interesting bedfellows the way those two started to act together because they had come from different genetics and ways of working. (Participant K).

However to achieve higher order goals concessions needed to be made. This meant that individuals had to build bridges, negotiate concessions and rise above institutional constraints to build trust. As participants D and Q explained there did need to be at least a small group of people prepared to cross boundaries to improve collaboration:

**Researcher**

Do you think that people in that kind of partnership can let go of one thing to gain another?

**Participant**

Definitely, but you won't do that if you don't trust people. So you've got to have a few trusted parties.

**Researcher**

Because it feels like you're mixing fish and fowl?

**Participant**

Yes, the whole design of the Committee for Auckland was to be interlocutory, the neutral connector, that can bring fish and fowl together, and our boys needed somebody like me who knew the fish and I could go and find the fish, that might be more open-minded to begin with, and then you can bring people together, so I think it's those bridge-builders that are needed. That's what you and I were in MAP, and Clyde, we are all bridge-builders by nature. So I think, looking back, you do have to have just two or three people that have got a good strong connection [across sectors]... (Participant D).

So a lot of it comes down to people's interpersonal style and how they can work together. Some people find it easier than others. Seeing above the stuff that you have to deal with in your own agencies to see the bigger picture. (Participant Q).

Finally, as selected quotes from participants A, E and F demonstrate, the partnership was a key mechanism for change:

What I can tell you is the outcome from that partnership worked. I believe in the outcome that came from [it], yes. (Participant A).

...so when you have a look at it without the partnership, I don't believe you would have made the progress we made at all. (Participant E).

...I think at the time that was leading edge thinking. I don't think we recognised it then, but it really was, because a lot of the material I see coming out of the UK now talks about triple helix. Well, guys, we were doing it ten years ago and we're really realising the benefits now. (Participant F).

## **Symposium Facilitation**

A particular facet of MAP that many participants remarked on was the “four seasons” facilitation process used in the Symposium on Auckland. Many were surprised at how consensus was reached on a number of actions among such a diverse group of participants in such a short space of time. CfA undertook to run the symposium and contracted a consultant to use the rapid consensus <sup>TM</sup> model.<sup>103</sup> The process moved through four phases; current scenario – preferred scenario – options – actions. CfA and the consultant trained facilitators from the public and private sectors in idea-mapping (see Appendix 7), active listening, reading people (body language) and group dynamics. The environment was managed by the consultant and the trained facilitators with pre-determined seating arrangements that put diverse participants together, and by providing

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<sup>103</sup> See for example <http://www.rapidconsensus.com.au> and <http://essentiaconsulting.co.nz/about-us-2/>

a degree of safety for participants to speak their minds.<sup>104</sup> Participant R, who was one of the trained facilitators, described the process:

I still use it. You start off by dumping all your baggage so that's the first step [current scenario]. Then the second step is you say all right, you dumped all your baggage, where do you want to go in the long term, what's the thing that you need to get to [preferred scenario], and then the third step is what options are available to you,. It's really good to have big ambitions, like twenty years, but come on we've got to get some stuff happening soon so pulled into that third step. Lastly tying down who's doing what; what can you do tomorrow? I can think of it in quadrants because that's how we were trained to do it... (Participant R).

The risk of spending too long on negative issues or seemingly intractable problems can become a problem if facilitators are not adept at facilitating the process:

...I thought it was very useful, although when it comes up we have a debate about whether it's good to have baggage out on the table first or not. Because often people say... if you do that you'll never get people off it. So I think the strength of the four seasons is also a risk. If you've got the wrong group, then you could end up with baggage and nothing else, but it's time-bound so people don't get a chance to get too entrenched. They have to get to the next thing. (Participant R).

A key factor that was also highlighted by participants was that the right people, with the right experience, armed with the right evidence, needed to be in the room to address complex issues and reach appropriate outcomes on the day. Anything short of that posed a significant risk for perverse outcomes or an inability to reach agreement.

## **Context, Timing and Momentum**

The interplay between context, timing and momentum was evident. The context leading up to and surrounding the Metro Report, and the opportunity that the RWC presented for some related activities, meant that there was an opportunity to gain traction for the Metro Report and Action Plan. Participants varied in their responses to the notion that

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<sup>104</sup> Also known as “Chatham House” rules where participants were encouraged to speak their minds without prejudice.

timing played a significant role in MAP gaining traction. Some believed it was that the mood of key stakeholders in Auckland and Wellington and that the political and institutional contexts played significant roles, others believed that timing was utterly important. But as participants C, O and B put it, a context that is conducive to taking action is one thing, taking advantage of the opportunity is another:

This wasn't new and when I started with Committee for Auckland, somebody who had spent some time there said, "don't waste your time there mate, we had got that up to the wire five years ago, and nothing happened". But, you know, timing is everything. (Participant C).

I don't think of it as an accident. I don't. It was much more thoughtful than that. I think that would be really derogatory. I do think there was a moment in time, and I think everyone used it well, and there was real energy for change. (Participant O).

Mike Moore and I always shared a bleat, I think it came from Norman Kirk<sup>105</sup>, "it's wrong to be right too soon"... In other words, a project needs the right time, the right energy and Robbie<sup>106</sup> is a classic example of that. Robbie was a fabulous mayor... Robbie always had ideas that were right too soon and now people say oh if only we'd listened to Robbie, we'd have had, light rail, we'd have had this and that. Why didn't we listen to him? Because you thought it wasn't right, it wasn't visionary enough. Well, it was very visionary. We just didn't want to do it. So I think that there's a moment in time when you strike and the time was right. (Participant B).

Timing and political context may have played significant roles, but a mechanism, the Metro Report, was needed to bring that context to life:

Yes, it's one of those things, isn't it... was there a political agenda in play? Yes, there probably was, but when did that political agenda gain traction... I'd say it definitely gained traction post the international report. (Participant L).

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<sup>105</sup> Norman Kirk was a formidable leader of the New Zealand Labour Party and New Zealand's 29<sup>th</sup> (and Labour's 4<sup>th</sup>) Prime Minister for two years before his sudden death in 1974. See <http://www.teara.govt.nz/en/biographies/5k12/kirk-norman-eric>

<sup>106</sup> Referring to Sir Dove-Myer Robinson, an esteemed and longest serving mayor of Auckland City Council for eighteen years between 1959 and 1980. See <http://www.teara.govt.nz/en/biographies/5r19/robinson-dove-myer>

People were ready to do this and the fact that within six years basically, it was all done and dusted, it was just extraordinary. (Participant I).

Another element is momentum. Some participants believed that regardless of the right timing or context you need momentum, and that momentum needs to be maintained for a project of this size and complexity to keep stakeholders engaged (participant N), which can so easily be arrested by “dead hands”:

We had a huge amount of momentum built up in that initial report, and that kept going for quite a while. Then it started to dissipate, and you can see... if you've got inertia, if you're trying to change something, and you come up with a really good report like that, the worst responses are: “already doing it” or “tried that, and it didn't work.” Those are like dead hands. Or “we'll take that over, and we'll put it over here, in that small office down in the third basement.” So we were lucky in that there was enough momentum and we managed to keep it alive, and, thinking about it, keeping it alive was a key thing. (Participant C).

## **Communication**

To maintain momentum partners believed that a wider conversation needed to be had with the Auckland populace about the goals of MAP. Early in 2006, the Metro Partnership hired a public relations company to manage communications. The project was subsequently framed as an on-going open conversation with Auckland:

When I have a look at MAP, what we tried to do, and when I say ‘we’ I look at that early partnership, we tried to position it as an open conversation that we were having with Auckland. We had some personalities alongside it and at times it was you, at times it was me, at times it was Greg Clark, and so on, but they were all public, and there appeared to be accountability, we were talking about the stuff that we were going to do and so on. I see that as quite critical. (Participant E).

My observation was that it was a very collaborative process. I never felt excluded from it sitting in my economic development role.... I felt I knew what was going on; there was good communication. You did have those different players and I'm sure all sorts of debates may have gone on, but you had the key players in Auckland, at the time, which were focused in this space... (Participant H).



Some regarded AREDF as the right platform for communication where it became a little bit of a platform where we could brief people and update them and keep them informed.’ (Participant E). However not all regarded the communications efforts as adequate and thought that more work needed to be done in securing the buy-in of potentially affected parties:

### **Participant**

What does the Auckland Region know about what’s going on in Manukau? We’ve got all the connections, we understand what’s best for our [sub-] region, so on and so forth, but in the end, it’s only ever one part of Auckland...

### **Researcher**

Do you think we can learn anything from that?

### **Participant**

[Pause] It’s all around communication, isn’t it, and communication is around buy-in. As there was a Metro Action Plan, it had to have the buy-in of the cities. They had to feel part of it, so that the cities, the regional agency and the local agencies had to agree that it was the right thing to do, but actually it looks to me like it was just a set of ideas that weren’t implemented. Nothing wrong with the ideas, [but] buy-in [is necessary]. (Participant A).

Regardless of the message, however, the messenger was also seen as crucial. Providing an international expert to deliver some of the messages became critical to the success of the project:

The other factor, I think, is getting people like Greg Clark in, because we’ve come across people that probably had more policy grunt or whatever, but Greg was just such a brilliant speaker, such a great advocate and such an inspirational sort of person. That was a good thing to learn as well; how you can use these people really well, and there aren’t too many Gregs in the world but there’s enough. So just getting the right people in and putting them in front of the right people too; he did a lot of good in Wellington. (Participant R).

## **Implementation**

The implementation of RED strategies is difficult. Moving from a high-level strategy (such as AREDS) to designing actions that will give effect to that strategy can be fraught with differing interpretations of what is needed and what will work. It requires

an ability to match resources, capacity and capability with responsibility and accountability. As participant R put it, writing a strategy is much easier than implementing it:

I was as convinced as anyone, and I still believe it to an extent, that local government does make strategies for communities but I think we do tend, like we did with AREDS to put all our energy into the strategy and it's so much easier to develop a strategy than to implement it. (Participant R).

The Metro Report was designed to gain action in RED in Auckland. It gained wide acceptance for its simplicity and appropriateness, however as it was operating at a city-regional level, considering wide-ranging systemic change, there still needed to be work that would translate the report into programmes, projects and actions. As participant T recalled: 'I remember Greg Clark saying that if you get sixty per cent of your actions delivered you've done well...' While AREDS was a convenient context for MAP, designing programmes of work and projects required agreement from a number of stakeholders, and funding and action on a number of levels:

At a very broad level, people came up with slogans that are hard to disagree with. But as you drive that down so you can get something more tangible, that you can make progress on, then that view starts to fracture a little bit. Or, when people are required to put their hands in their pockets and fund something then good intentions and words and actions start to drift apart, and there's the rub. (Participant K).

Two processes emerged after the release of the Metro Report, the MAP Action Plan and continued focus on the leadership and governance of Auckland. A glossy action plan was released in October 2006 by Michael Barnett Chair of AREDF, titled '*Metropolitan Action Plan: Implementing the Auckland Regional Economic Development Strategy*.' MAP and the Action Plan had succeeded in gaining widespread high-level support. The process to include Māori endorsement, however, had been belated and leaned heavily on

the partnerships and relationships that IPP had established<sup>107</sup>. This was not optimal and was one of the weaknesses of MAP. Those endorsing the Metro Action plan were:

- Sir Ron Carter, Chairman, Committee for Auckland
- Sir Barry Curtis, Mayor, Manukau City Council
- Sir Bob Harvey, Mayor, Waitakere City
- Dick Hubbard, Mayor, Auckland City
- George Wood, Mayor, North Shore City
- John Robertson, Mayor, Papakura District Council
- John Law, Mayor, Rodney District Council
- Michael Lee, Chairman, Auckland Regional Council
- R. Naida Glavish, Chairperson, Te Runanga O Ngati Whatua
- Laly Haddon, Chairperson, Ngati Wai
- Tukoroirangi Morgan, Chairperson, Waikato Tainui Executive
- Toko Renata Te Taniwha, Chairperson, Hauraki Māori Trust Board
- Prof Ian Shirley, Director Institute of Public Policy and Pro Vice Chancellor Research, AUT
- Colin Martin, President, Employers and Manufacturers Association (EMA)
- David McConnell, Managing Director, McConnell Limited
- Peter Menzies, Growth and Innovation Advisory Board
- Hon. Judith Tizard, Minister for Auckland Issues
- Pauline Kingi CNZM, Regional Director, Tamaki Makaurau, Te Puni Kokiri
- Pauline A. Winter, Chair, Pacific Business Trust

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<sup>107</sup> In particular, we owed a debt of gratitude to Amokura Panoho, a prior student of IPP and dear colleague, who fast-tracked consultation processes with regional iwi leaders in the belief that the project was worth supporting despite the lack of respectful protocol and process.

The plan had five objectives supported by a series of strategies and actions (Tables 5 and 6) and was Auckland's first attempt at a region-wide economic action plan.

**Table 5 Metro Action Plan Objectives and Strategies**

Objectives	Strategies
1. Take effective and efficient action to transform Auckland's economy.	1.1 Take an integrated, region-wide approach to transforming Auckland.
2. Develop world-class infrastructure and world-class urban centres	2.1 Coordinate infrastructure planning, decision-making and investment
	2.2 Deliver on energy and broadband infrastructure requirements
	2.3 Create strong and distinctive centres within the region
3. Transform Auckland into a world-class destination	3.1 Bring the world to Auckland
	3.2 Build on Auckland's distinctiveness
	3.3 Position Auckland as a major event destination
	3.4 Use the Rugby World Cup to create long-term benefits
4. Develop a skilled and responsive labour force	4.1 Take an integrated, region-wide approach to tackling Auckland's skill issues.
	4.2 Match training provision with skill needs
	4.3 Promote education and skilled employment within 'diverse communities'
	4.4 Improve workplace productivity
5. Increase Auckland's business innovation and export strength	5.1 Take an integrated, region-wide approach to coordinating innovation programmes and agencies.
	5.2 Provide better support for early-stage businesses with high growth potential
	5.3 Accelerate innovative businesses in Auckland
	5.4 Strengthen collaboration between Auckland's businesses, universities and Crown Research Institutes
	5.5 Gain more value from offshore networks

**Table 6 Metro Action Plan Actions and Timeframe**

Actions	Timeframe	Page
1.1.1 Deliver a single plan for the Auckland city-region.	1–2 years	19–21
1.1.2 Demonstrate strong and united leadership.	Ongoing	
1.1.3 Establish well-resourced and well-coordinated response and delivery mechanisms.	1 year	
2.1.1 Plan for all infrastructure within the wider context of a single vision for the Auckland city-region.	1–2 years	23–24
2.2.1 Complete an energy prospectus to secure supply and better manage demand.	1–3 years	25–27
2.2.2 Fast-track widespread, high-speed broadband deployment and uptake throughout the region.	1 year	
2.3.1 Complete the CBD and waterfront development.	1–20 years	27–28
2.3.2 Fast-track town centre development.	1–2 years	
3.1.1 Produce and implement a regional visitor strategy.	1–2 years	29–30
3.2.1 Develop an Auckland regional brand identity with integrated communication tools for use by tourism, business and community.	1 year	31
3.3.1 Develop a major event portfolio to build world-class capability and profile.	1 year	32–33
3.4.1 Deliver additional infrastructure projects such as a world-class sporting venue, high-speed transport links, and a national convention centre.	1–5 years	33–34
4.1.1 Establish a business-led skill leadership group that is facilitated by the regional economic delivery agency.	1 year	35–36
4.2.1 Establish a centralised information system to map regional skill needs.	1–2 years	37–40
4.2.2 Aggregate activities by providing a web portal-based one-stop shop for education, training and recruitment information.	1–2 years	
4.2.3 Positively influence career decisions by building improved capacity for career advisers and teachers.	2–3 years	
4.2.4 Better meet business skill needs by providing closer, clearer links between training and industry.	2–3 years	
4.2.5 Encourage continuous skill building by promoting lifelong learning to parents and families.	2–3 years	
4.3.1 Coordinate and bring to scale successful local initiatives.	1–2 years	40–41
4.4.1 Promote workplace productivity best practice to Auckland city-region employers.	1–2 years	41–42
5.1.1 Establish a business-led innovation leadership group that is facilitated by the regional economic delivery agency.	1 year	43–46
5.1.2 Supervise 20 to 30 high-growth potential businesses as a pilot study.	1 year	
5.2.1 Improve access to pre-seed funding.	1–2 years	46–49
5.2.2 Improve coordination and information sharing between angel investor programmes and investor networks.	1–2 years	
5.2.3 Ensure tax policy rewards investment in early-stage ventures.	1–2 years	
5.3.1 Profile and promote innovation success in the Auckland city-region.	1–2 years	49–50
5.4.1 Identify the next Centres of Research Excellence to be funded in Auckland.	1–5 years	50–53
5.4.2 Inspire innovation by staging intellectual property showcase events.	1–2 years	
5.4.3 Better connect universities, Crown Research Institutes and businesses.	1–2 years	
5.4.4 Improve tertiary research funding to support research that can be commercialised.	2–3 years	
5.5.1 Leverage international networks and strengthen connections between existing networks and programmes.	1–2 years	53–54

The Action Plan formed the basis for work-streams organised around the five objectives and the work of the AREDF and Auckland Plus from 2006-2010. Funding had been secured through NZTE to develop the Action Plan and work-streams. But a lot had to be

achieved in a short space of time to put governance and operations in place to implement the plan:

Yes there was quite a lot of discussion at the time Auckland Plus was set up. They tried to have these groups that were strategic leadership groups around the different actions. But whether or not they didn't have the right people on the groups, or it was quite hard to go from "here's all the great ideas" down to "here's how we're actually implementing", and "here's how we'll get all the different players around the table to agree on how we're going to work and what we're going to do", those were the issues. (Participant Q).

Work-streams were led by business leaders and contained a number of actions supported by ARC and Auckland Plus staff. The AREDF overseeing the Action Plan was usually well attended by local and regional government officials. However early on local government gravitated to familiar programmes of work:

Work-streams, yes, did we miss some things or not, I don't know. You look at this, and you think gosh you had quite a lot of thinking that needed to be done to move that into an action plan, and did we just go for some things that we were used to? You know, 'provide support for early stage business', well, yes, that's important, but was that the most important thing for the region to be doing? You've asked a very good question, I think we all just kept moving with the flow, didn't we. (Participant H).

Nonetheless, with the previous attempts at implementing AREDS in mind a concerted effort was made to move from strategy to action and to bring in different skill sets to do that:

...there were some good people brought into that Auckland Plus office that were quite, they had a different skill set from the thinking people at the start, they were more the project managers. They did liaise with the relevant stakeholders and try and get those sub-working groups for implementation sorted... Overall good, I think. (Participant H).

Difficulty was also experienced throughout implementation as the Forum found it had limited influence and funding to implement the Plan. Central government agencies who attended the forum listened to, and provided input into, discussions but were not members of AREDF and did not vote. Central government, therefore, regarded any

requests for funding as a separately negotiated process. The notion of partnership was replaced with the notion of collaboration, providing support could be confirmed in Wellington, and, as participant Q described, central government politics played a part in frustrating and delaying decisions even if there were good intentions:

...governments change, ministers change, priorities change and so you find yourself saying one thing and then the next day it's something else. So that's always a difficulty when you work for the government. I think the intention was to try and continue to work collaboratively, but again it came down to getting agreement on the actions in a way that could be translated down to Wellington and getting that buy-in. (Participant Q).

Thus, despite goodwill, the Metro Action Plan suffered from a lack of funding (participant T), and competing interests and a lack of trust were not addressed by the governance and operational mechanisms in place:

I think the will and the intent was absolutely there; the hope, the aspiration, absolutely there. The mechanisms were not, and the mechanisms probably led to behaviours that led to distrust and anything that is going to be delivered by knitting together that particular governance structure was killed by a lack of trust. Everyone was looking over their shoulder...Those competing interests, and the primacy of those competing interests, meant that there was only so far you could ever get with the Metro Action Plan; even if it was perfect. (Participant L).

Some participants believed that resting the Action Plan with local government meant that it was unlikely that the integrated nature of the recommendations could be taken on within the constraints of the institutional arrangements put in place, and that this had an impact on the subsequent foci of the plan. There was concern that actionable projects with milestones and performance measures were not apparent in the plan with “actions” reading more like strategies, and vague strategies underpinning objectives:

Yes, so the international team stopped short of local government reform but in a way you can argue that the only way to implement its recommendations were actually to do something differently... It's pretty insipid, this [Action Plan], though isn't it; 'Complete the CBD waterfront development', time frame one to twenty years. I mean really, 'Fast-track town centre development'...It's interesting, isn't it. (Participant L).

A media commentator also identified early on that the Action Plan was vague on leadership and governance:

“Leadership and governance” were early identified as an issue in Metro Project’s work-in-progress plan, only to be replaced by a call to demonstrate “strong and united leadership” when the action plan was finally made public. (Hunt, 2006, D3)

It became evident that there was also discord amongst the partners around implementation of the Metro Report that revealed itself in divergent implementation pathways. CfA took it upon themselves, through the Champions for Auckland grouping, to focus on the first four recommendations of the Metro Report which they considered were both anathema to ARC and almost impossible for them to implement. Indications of the intent to not address the more significant recommendations were also felt early on:

When the [Metro] Report finally got tabled at the Regional Council I was invited, you might have been invited, only about two or three of us invited, to go to it, and there was a very clear intention to put it to some committee. I can’t remember what it was, and I thought we can’t put it to some Committee and I stood up against it and I said ‘no you can’t do that, this has to be carried on in this format...’ (Participant C).

... Maybe in parallel with the development of the Metro Action Plan and the forums and things like that, but that regional forum (AREDF), the shared frustration around it was evidence that there were limitations in the ability to act regionally; interesting progression. (Participant L).

Despite attempts to make the Metro Report ‘just another report’ CfA played a very active role in ‘getting it rolling’ and ‘that was probably at two levels; firstly ‘getting it rolling amongst the mayors’ and getting it to a position ‘where central government was receptive to this as something that needed to be changed.’ (Participant C). Their focus was the first four recommendations of the Metro Report:



So it was those first four really, single leadership, single plan, strong execution capability and this whole issue of the funding arrangements. So I think those were the four that always sat really in my mind... (Participant N).

Others believed that the content of the Action Plan was not only reductionist in its approach, but politically driven and many things would have been delivered regardless:

Demonstrate strong and united leadership, well, it was strong but badly united. Everyone had a voice, didn't they? Fast-track town centre development; what does that mean? We're probably still as precarious on our energy prospectus as we ever were. High-speed broadband would have happened because of central government's impetus, really. All the rest is fiddling around; supervise twenty to thirty high-grade potential businesses in a pilot study, fuck, you're not going to transform the economy on that, it's got thirty-five thousand businesses in it! (Participant L).

Implementing the Action Plan without a well-funded, arms-length, REDA was going to be difficult when enmeshed in local government processes and central government political imperatives:

I think as much the complexity, and then that drive to have some programmes or initiatives. So they tried, but they were too micro in terms of the whole point of actually having something that was, you had to be really strategic, and you had to do things of scale. They might actually be local, but you actually had to have the resources to upscale things, so it had a significant impact... we've never resourced things well enough on scale, and also, it's driven, if we're talking about that area, it ends up getting driven too much by the politics of the policies,... making sure that stats [statistics] stack up for the politicians. (Participant S).

Nonetheless, most participants believed that the Action Plan, supported by AREDF and Auckland Plus, was instrumental in supporting two main objectives; 'Develop world-class infrastructure and world-class urban centres' and 'Transform Auckland into a world-class destination.' Using the Rugby World Cup (2011) as a catalyst for an events programme, Brand Auckland and a visitor and events strategy, were progressed; all of which gained support from central government. Work on 'One Plan' for Auckland was included as a strategy in the Action Plan, although carried out by a separate local

government group collaborating to integrate council planning processes. As participant F explained, however, some things were just unpalatable to the ARC parent body:

Personally, I believe it did, and that what emerged out of the Metro Auckland project was an appetite from the private sector to actually see a change in Auckland's governance structures. Michael [Barnett] was chairman of Auckland Plus at the time and Michael was always very clear that we couldn't recommend change back into our parent body [ARC] because that would have been unpalatable... (Participant F).

This concern was compounded by a lack of capacity deemed largely to do with a lack of funding, and competing priorities (participants C, L, T and S):

### **Researcher**

...So what you're saying is we had a report from the international team that was big and demanded some real gravitas to be implemented, and then we moved to an institutional structure that was unable to deliver on those high-level things?

**Participant:** Absolutely, both in capacity and capability and so to me it was in the end, resourcing. It wasn't just to say they [ARC, AREDF and Auckland Plus] were useless and they couldn't do it, they were very big recommendations. They were significant. (Participant S).

For ARC and Auckland Plus this inevitably meant working on those things that were within their power to influence and implement. AREDF and Auckland Plus considered that using private sector leaders in their work-streams (partnering with the private sector) would provide added leverage and resources to implement the plan. What became apparent, however, was that the Metro Action Plan became the preserve of the ARC and Auckland Plus which played a large part in the actions and outcomes of the Action Plan. As participant K pointed out 'when you translate a broad agenda [like the Metro Report]... you don't get a complete mapping and a complete agenda' and it is very hard to get large institutions to change direction quickly:

...it depends on what your expectations are of how quickly you can move very big engines. So what I would say, in terms of the Forum [AREDF], is that it was disappointing how the Metro Plan was intended to be applied, and a bit of a reductionist view was taken particularly by Auckland Plus... if I had any kind of disappointment it would be that the forum got a plan and

recommendations, and I didn't experience it being implemented in a way that did justice to the potential of the plan... (Participant S).

It was also apparent that Auckland Plus needed more resources to take on the implementation of the Action Plan, and, as participant S said 'you would never get the "hutzpah"' to implement the plan. These internal issues highlighted another significant constraint within the Auckland region in a lack of a history of collaborating successfully in RED and therefore an inability to implement the plan in a coordinated way (participant C). Otgaar (et al., 2008, p. 250) described this as the lack of a 'tradition to cooperate' as a socio-cultural context factor that contributes to, or, as in this case, inhibits, coalitions for change in metropolitan regions.

As a result, CfA and the newly formed Champions for Auckland took it upon themselves to carry some of the more contentious governance and operational recommendations:

For all intents and purposes that's where this started, but it got wider once we realised that in order to get RED there was a whole lot of fundamental structural things that we had to attend to first... (Participant C).

Look I think explicitly, as they were written, you could see that they [the recommendations] were very hedged around the first two or three requirements that were sitting there. Implicitly all those around it wanted to see the momentum changes, and as soon as that started, that was beyond Metro Action Plan – it was something that grew its own life. (Participant N).

Thus, while a tripartite partnership had come together to produce The Metro Report, and where the possibility of that arrangement continuing to provide leadership in the implementation of the Report had waned, AREDF and Auckland Plus led the Action Plan development and implementation, and CfA and the Champions for Auckland began to work on those areas that were in their interests to do so. Therefore the partnership did not remain intact for implementation:

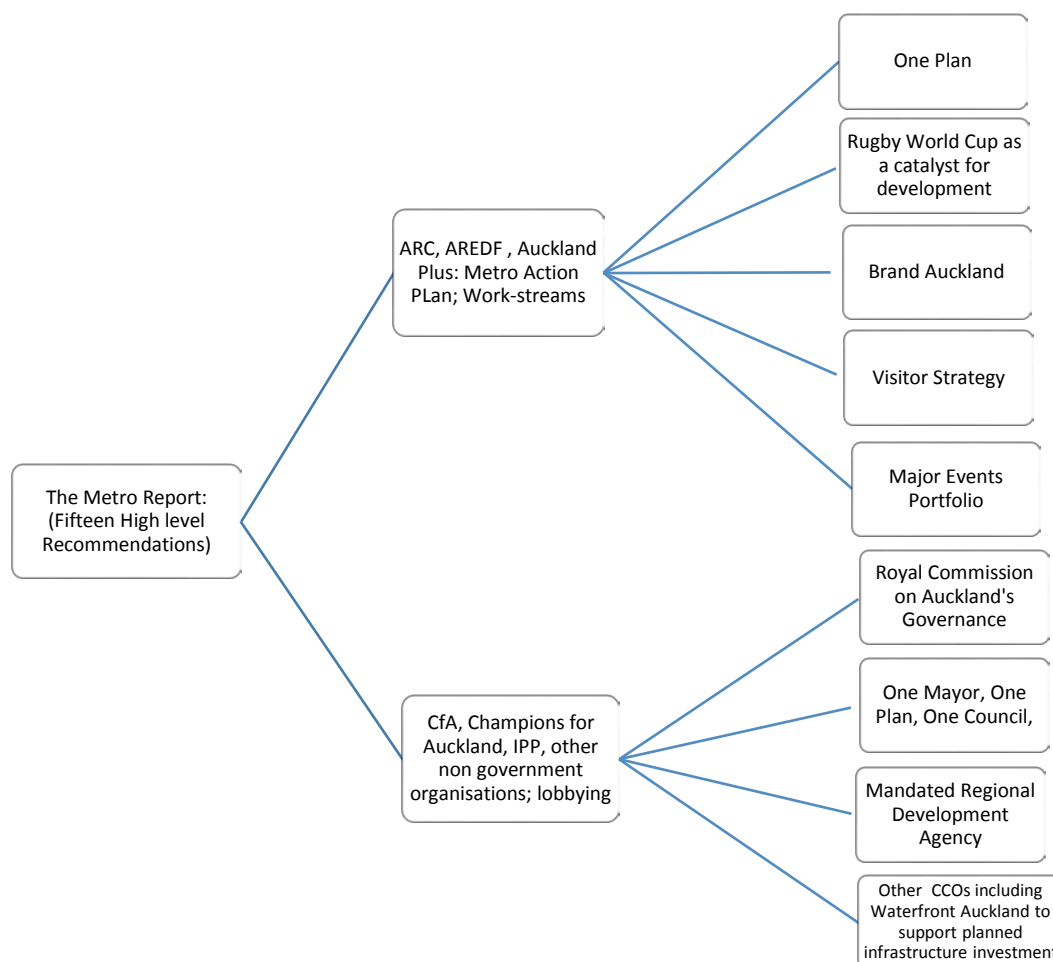
Yes, so we still needed something, if I think about it, which needed to foster and keep growing that momentum and partnership for implementation. It's like there was something lost after it or something, that the partnership became more about the symposium, which was great and did work, but less about shit how do we get these huge screens [big picture things] working...Yes, so institutionally we weren't quite ready to be into a full partnership for implementation. (Participant O).

Thus, the Metro Report had highlighted that the behaviours and governance arrangements in Auckland were inadequate to address some of the fundamental challenges that would require organisations and institutions to work collaboratively. Also, as the Metro Report highlighted, political governance issues, not just RED issues, it was threatening to local and regional government. The reconciling of views and agreement across the public, and private sectors, it seemed was not possible in the context of 2006-2008. This also had an effect on the delivery of the Action Plan:

I think the hard part out of the Metro Action Plan... was continuing to keep the momentum up given we were also moving into the situation where Auckland was going through the review of governance and the whole governance reforms (refer The Governance Debate Chapter 5). So, I think that probably might have hindered progress being made on some of the actions because people were in that state of flux. (Participant Q).

Many other private sector organisations, such as the Property Council, NZCID, EMA and various legal, financial and consultancy companies commented, debated, and provided space for debates to happen on Auckland's governance. The media found the whole notion of a 'leadership commission' for Auckland intriguing. Participants believed that a number of outcomes transpired as a result of the momentum carried forward by CfA and other stakeholders; particularly the idea of "one council, one mayor, one plan" (Metro Report recommendations one and two), a jointly owned RDA (recommendation four) and more clarity around future signals and rules for investment in infrastructure (recommendation three).

These different paths are represented in Figure 20 below showing the institutional threads and main outcomes that the Metro Report contributed to.



**Figure 20 Metro Report Implementation**

## ***Conclusion***

Meso-level analysis revealed that key institutions, people, processes and facets had a significant influence on the implementation and outcomes of MAP. Different agendas were also revealed through subsequent groupings and actions. The triple helix partnership was very effective in assembling evidence, stakeholder engagement, including the facilitation of the symposium, in launching and communicating the Metro Report and creating momentum around the recommendations. However, the partnership

did not remain intact when it came to implementing the recommendations which had a bearing on the effectiveness of the Metro Action Plan. As the Metro Report provided an integrated mix of governance and RED recommendations it was difficult for local and regional government to be fully engaged in leadership discussions and subsequent actions. A lesson for other metropolitan regions, therefore, is that addressing the governance and operations of RED in a metropolitan region is likely to have a significant impact on wider governance and governmental issues.

Although the Metro Partnership did not continue in a formal sense after 2006, the people involved continued to work together, and separately, in various ways and various forums in either economic development or regional governance. The relationships remained, which was attributable to the effort taken in forming the partnership, working together, with institutional constraints, and conducting a project of this nature.

Timing and momentum were important in combination with the right context. However, partners and institutions were significant in taking advantage of context and timing, picking up and retaining momentum and driving communications.

Civic leadership also played a significant role in that many leaders took on personal and political risk once they were convinced that the outcomes would be beneficial to Auckland.

The Symposium on Auckland, as part of a week of stakeholder engagement, was a significant mechanism that facilitated the opportunity for different leaders from different sectors to feel safe enough in an environment to express and exchange views freely.

The conclusion that can be drawn from the preceding chapter is that largely the public and private sectors, even though there was good cross-fertilisation across institutions, and the triple helix partnership created a way of working together, took different paths with different agendas post the delivery of the Metro Report. Therefore, the Metro Action Plan was not an integrated plan ‘about a small number of large-scale interventions that command[ed] wide support... delivered in a participative manner’ (Clark et al., 2006, p.6). Instead, Auckland Plus set about working on economic development initiatives that were within the Action Plan, and the Champions for Auckland and CfA worked on influencing high-level governance, planning and institutional arrangements at a metropolitan level (the first four recommendations of the Metro Report).

## **Chapter 8. Metropolitan Auckland Project Outcome Analysis**

### ***Introduction***

An outcome analysis in this research ‘explored [long-term] changes to people, institutions, government, policies and practices’ (Westhorp, 2014). Having assembled evidence from four different data sources, using a case study and RIE, this chapter assesses and discusses the impact and outcomes of MAP. It starts with a brief discussion of cause and effect, emphasising how participants in a retrospective analysis can draw threads out to observe and unravel complexity, explore systemic effects and look at how particular mechanisms interact with certain contexts to generate outcomes. Impact and outcome analyses draw on all data sources. The context and mechanisms for MAP have been comprehensively discussed in Chapters 5, 6 and 7. What follows is an analysis and discussion of the evidence supporting impact, outcomes achieved and not achieved, criticism and unintended consequences of MAP.

### ***Cause and effect***

Realism offers a particular understanding of how causation works. The basic idea is that things that we experience or can observe are caused by ‘deeper’, usually non-observable processes (Westhorp, 2014, p.5). There is also the probability of a whole mix of factors contributed to significant outcomes:

#### **Researcher**

Do you think there have been any outcomes from Metro Project regarding RED in Auckland now?

#### **Participant**

It’s a good question and it’s quite a hard one to answer because you’ve got to have some way of tracing through cause and effect. To be honest, I don’t know the answer to that. I don’t, whether Metro itself can be considered to have been the catalyst that has got various things going or not. I’m sure it’s been part of the mix but the point is there probably was a real mix in here. All sorts of



things were going on at the same time and teasing that apart I think is quite hard. You may have some way of doing that; I don't know. (Participant K).

As stated in chapter four, direct or linear cause and effect relationships would be too narrow in their interpretation and inadequate in determining the impact of MAP, particularly in a holistic way. Instead RIE attempts to make sense of real-world complexities by understanding connections, networks and relationships, and by revealing the interplay between context, mechanism and outcome. Using this framework one can build 'empirical and explanatory power through qualitative description, close dialogue and fine-grained case studies' (Taylor and Plummer, 2011, p.40). Causal inferences can be made through 'warranted assertions' rather than claims of 'unvarying, eternal truths' (Sullivan, 2009) as the following quote reveals:

Oh, it was undoubtedly a success. Oh no no, I say it was a success to me because I put the success down to two things; one, I believe a significant part was the whole reformation of Auckland that came out of that first objective because we all realised that it just made sense... and two, the whole sense of bringing the world to Auckland... I don't think that would have happened had that challenge not been put to me. That's what set up a lot of the strategic thinking going forward. (Participant N).

Participant N provided an example of how participants were able to draw threads together to make warranted assertions about causation. A brief discussion and examples of how threads have been drawn together follows.

## **Threads**

Threads drawn from primary data analysis supported impact assessments but demonstrated systemic and holistic effects over time. This was one advantage of a retrospective analysis where, with the benefit of hindsight, linkages could be made.

Examples include:

If you look at it, it was a logical sequence. So Metro started at a time that there was a fragmented regional approach, almost purely fragmented. The Metro Project started a conversation about being more regional in our thinking.

Within the structural mechanisms available, it gave rise to an attempt at regional thinking being implemented... which then in a sense proved itself frustrating and limiting, and then there was the local government reform, but if you look in hindsight, that's a pretty logical sequence of progression and you could say politically smart because the region was given an opportunity to think and act regionally. It proved it could think regionally but not act. (Participant L).

...From the outcome of a single point of governance, yes, a single point of policy, yes. A regional view, and from a strategy point of view, yes. More effective than it was before? On big infrastructure projects like the waterfront development, like roads, yes, absolutely. (Participant N).

When I look at what's here, and I haven't actually looked at this since I read this all those years ago in the Metro Report, they are still relevant today and are reflective in our current economic development strategy. So there is nothing here that I'd look at and say, oh no, actually that wasn't a good idea. (Participant F).

Yes. For example, there's not much in that action plan that talks directly to the Transport stuff; a wee bit. Yet, when the 'one plan' language became really strong, it was the one plan view about completing the network, well we're in the midst of doing that right now, but we weren't in the midst of doing that in 2008. These things get solidified over time, and the actions become more cemented. It's quite good to do this in retrospect; you've got to take quite a long-term view about some of these things shaping. (Participant K).

Impact assessments of the Metro Report and Action Plan have been assembled individually against their stated recommendations and objectives. Also, a high-level impact analysis reveals the overall contribution (systemic effect) of MAP to high-level outcomes based on all of the evidence. Using the weight of evidence assembled and a systemic approach drawing threads together a CMO 'causal loop' has been developed in the outcome analysis with a brief discussion and supporting evidence for conclusions about outcomes.

## **The Metro Report Impact and Outcome Analysis**

I remember Sir Ron [Carter] sitting and reading it, saying ‘this is one of the better pieces of work I’ve seen’. We had the right people all the time and we minimised the forces of darkness. So we used collective leadership and the right people and the right facilitation. (Participant D).

The Metro Report was the pivotal mechanism in MAP. It sparked a series of actions and processes that changed the governance of Auckland and RED Policy and Practice. In designing this analysis a threshold was used where a recommendation did, or did not, have sufficient evidence of a positive impact. A score of three or four meant that the recommendation had a long-term positive impact related to the intention of the recommendation in the report, one or two meant it did not. The same framework was applied to assessments of the Action Plan and an overall assessment of the identified outcomes of MAP (systemic impact).

In Table 7 below each recommendation in the Metro Report was considered for impact against intended outcomes. Evidence was assembled mainly from primary research analysis in chapters 6 and 7, combined with secondary research data (including two formal evaluations). The impact assessment averaged 2.53 on a scale of 1-4 (63%) indicating that the Metro Report, on average, achieved its intended outcomes. Five recommendations had strong evidence linking them to intended outcomes, three had ratings of 3 suggesting sufficient evidence linking them to intended outcomes and seven recommendations had assessments of two or less suggesting insufficient evidence, or they were deemed a failure against intended outcomes.

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<sup>108</sup> Impact analysis is used to gauge the level of impact as opposed to longer-term outcomes covered in the next section. RIE while titled ‘Impact’ is intended to identify outcomes.

**Table 7 Metro Report Impact Assessment.**

Metro Report Recommendations	Impact Assessment			
	1	2	3	4
1. An enhanced leadership commission				
2. One Plan for Auckland				
3. An Investment Prospectus				
4. A jointly owned RDA				
5. Labour Market Intervention				
6. The Regional Innovation System				
7. An Inclusive Region				
8. Distinctively Auckland				
9. Connected Hubs and Spokes				
10. New Zealand's Shop Window				
11. The Vital Regional Energy				
12. Digital Connectedness				
13. A Major Catalyst: the Rugby World Cup				
14. Expansion of Knowledge Infrastructure				
15. Bringing the World to Auckland				
Mean 2.67 (67%) indicating sufficient evidence of positive impact of the Metro Report on related Outcomes				
Key: 1. No, or Negative impact 2. Insufficient evidence of positive impact 3. Sufficient evidence of positive impact 4. Strong evidence of positive impact				

Question eight in the interview questionnaire asked participants to rate the recommendations of the Metro Report on their overall appropriateness for Auckland at the time. On a scale of 1 to 5 the ratings were:

- i. Not appropriate for Auckland at the time at all.
- ii. Some recommendations were appropriate but most missed the mark
- iii. They got it about half right
- iv. Most recommendations were appropriate
- v. They were highly relevant and appropriate for Auckland at the time

Participants rated the Metro Report highly with an average score of 4 meaning that they believed that most recommendations were appropriate for Auckland at the time. This was a very high rating given the political context in 2006 and the potential for co-causal attributes to make respondents less certain. No responses were recorded for ratings of 1

or two. The following quotes provide examples of participant comments to question eight:

They've all been worked through; it wasn't as if they were just a bag of ideas that was flung out as a possibility. Each of these topics had been thought about and we all had a chance to contribute to the report, so you've got to start off with saying all of them were thought to be relevant... (Participant G).

There were also positive responses regarding the overall effectiveness and the integrated nature of the report providing a catalyst for change:

Its real benefit was... it was like this whole jigsaw was out there, all the pieces were out there in terms of the information, the stats, challenges, the growth projections. But once again there wasn't a way of knitting it together that actually made sense to both politicians and business people who were coming at it with their own vested interests. So it galvanised people, seeing that there were big things that they could tackle that actually would make a difference. So I would say that, in a strange kind of way, one of the real successes of the Metro Project was that it gave you new hope, and that's a very big thing especially when you're dealing with a very big minefield of vested interests and politics and issues. To have, in this case it was a report, like a map or a blueprint or a story, that actually does connect with people in a way that they think ok, right-o, there is a way through here. This is actually a big platform we can all get on together rather than us all on these different parts of the landscape, like bogging about, really. (Participant S)

As the Metro Report was the circuit breaker, from which all other processes followed, I assembled Table 8 to draw together the threads of the recommendations against related outcomes. It links each recommendation to both intended and unintended outcomes. For example a rating of 3 for recommendation thirteen (above) meant that there was sufficient evidence of a positive impact on intended outcomes. However a strong association was also found in the content analysis with Brand Auckland, an events programme in the new RDA, and for using the RWC to leverage developments on the waterfront and CBD. A tick indicates that there was sufficient evidence that a recommendation contributed to that outcome; a cross indicates that there was no or insufficient evidence to link the recommendation to the outcome, or it was deemed a failure. If participants were unanimous in their support, or a majority supported an

outcome, then this was the primary conclusion. If there were mixed opinions, then the outcome was deemed to have insufficient support. Failures were clear in the content analysis. I have also included a column outlining the key actors (who) for each recommendation and the key mechanism[s] (how) they were achieved.

**Table 8 Metro Report Outcomes**

Metro Report Recommendations	Attributed Outcomes/Failures	Who/How
<b>An Enhanced Leadership Commission for Auckland (Impact Rating: 4)</b>	<ul style="list-style-type: none"> <li>✓ Champions for Auckland</li> <li>✓ Royal Commission on Auckland's Governance</li> <li>✓ The Auckland Council; One Mayor, One voice</li> </ul>	<p>Who: CfA, Champions for Auckland</p> <p>How: Lobbying, Royal Commission on Auckland Governance</p>
<b>One Plan for Auckland (4)</b>	<ul style="list-style-type: none"> <li>✓ One Plan strategic work including</li> <li>✓ Auckland Spatial planning section in Local Government (Auckland Council) Act 2009</li> <li>✓ The Auckland Plan</li> </ul>	<p>Who: Metro Partnership, CfA</p> <p>How: Lobbying, Who: ARC and TLAs</p> <p>How: Combined Council 'One Plan' working group</p>
<b>An Investment Prospectus (2)</b>	<ul style="list-style-type: none"> <li>x Deemed a failure (although some support for better signals for investment coming from the public sector for Waterfront and CBD developments)</li> </ul>	<p>Who: AREDF, Auckland Plus</p> <p>CfA, Champions for Auckland</p> <p>How: Not Included in the Metro Action Plan</p>
<b>A Jointly owned RDA (4)</b>	<ul style="list-style-type: none"> <li>✓ ATEED; Auckland Council CCO with a private sector / NGO board</li> <li>x Not jointly owned (a CCO with no private sector or central government operational funding and a board appointed by Council)</li> </ul>	<p>Who: CfA, IPP, AREDA.</p> <p>How: Royal Commission on Auckland Governance, Auckland Transition Agency</p>
<b>Labour Market Intervention (1)</b>	<ul style="list-style-type: none"> <li>x Coordinated Skills and Labour Market intervention not achieved (despite much effort in the Action Plan work-stream)</li> </ul>	<p>Who: AREDF, Auckland Plus</p> <p>How: Metro Action Plan</p>
<b>The Regional Innovation System (3)</b>	<ul style="list-style-type: none"> <li>✓ Strong Innovation focus in RED policy and practice including the development of the Auckland Innovation Plan (2014)</li> <li>✓ Strong evidence that the report seeded efforts and created momentum for Auckland's Innovation Hub and Food Innovation Centre,</li> <li>x Relationship with knowledge infrastructure recommendation was weak</li> </ul>	<p>Who: AREDF, Auckland Plus, then Auckland Council and ATEED</p> <p>How: Metro Action Plan, followed by revised Auckland Economic Development Strategy</p>
<b>An Inclusive Region (2)</b>	<ul style="list-style-type: none"> <li>x some support for a correlation with the Southern and North-Western initiatives in the Auckland Plan, but insufficient evidence of attribution</li> </ul>	<p>Who: Not led by MAP</p> <p>How: Not in the Metro Action Plan</p>
<b>Distinctively Auckland (3)</b>	<ul style="list-style-type: none"> <li>✓ Strong support for developing Brand Auckland</li> <li>✓ Strong support for regional promotion efforts through visitor and events promotion</li> <li>x Some support that the aspirational nature of the Auckland Plan was seeded by this recommendation</li> </ul>	<p>Who: AREDF, Auckland Plus</p> <p>How: Metro Action Plan</p>
<b>Connected Hubs and Spokes (2)</b>	<ul style="list-style-type: none"> <li>x Significant progress on transport infrastructure – eg ring route motorway projects, central rail</li> </ul>	<p>Who: NZTA, ARTA, AT</p> <p>How: Influence and</p>

	<p>loop, integrated transport systems and bus lanes although too many co-causal factors</p> <p>x Airport - CBD rail link failed</p>	impetus from Metro Report
New Zealand's Shop Window (4)	<p>✓ Strong support for Waterfront Development Agency and waterfront developments</p> <p>✓ Some support for CBD amenity and infrastructure improvements; eg Britomart transport hub and Queens Street improvements</p> <p>✓ Strong support for efforts to better connect the CBD to the waterfront</p> <p>✓ Provide better public access to Auckland's waterfront</p>	<p>Who: CfA, Champions for Auckland,</p> <p>How: Lobbying</p> <p>Who: AREDF, Auckland Plus.</p> <p>How: Metro Action Plan</p>
The Vital Regional Energy (1)	<p>x Some support for improved security of supply although too many co-causal factors</p>	<p>Who: Not led by MAP.</p> <p>How: Not attributed to MAP</p>
Digital Connectedness (2)	<p>x Broadband rollout some support for providing renewed focus, co-causal at best</p>	<p>Who: AREDF, Auckland Plus</p> <p>How: Metro Action Plan</p>
A Major Catalyst: the RWC (3)	<p>✓ Showcasing Auckland</p> <p>✓ Brand Auckland</p> <p>✓ Support for strong focus on events in new RDA</p> <p>✓ Support for using the RWC to leverage developments on the waterfront and CBD</p> <p>✓ Some support for improved rail links to Eden Park</p> <p>x Wider Developmental and Economic outcomes failed: eg new [Waterfront] Rugby Stadium, Convention Centre</p> <p>x Business leverage events had no perceptible impact</p> <p>x No evidence of Market Development</p>	<p>Who: AREDF, Auckland Plus, ACC events team</p> <p>How: Metro Action Plan</p>
Expansion of the Knowledge Infrastructure (1)	<p>x Increased research collaboration</p> <p>x Promoting Auckland's key research capabilities internationally</p> <p>x National and regional initiatives</p>	<p>Who: AREDF, Auckland Plus</p> <p>How: Metro Action Plan</p>
Bringing the World to Auckland (4)	<p>✓ RWC</p> <p>✓ Visitor Strategy and</p> <p>✓ Major Events Programme</p> <p>✓ REDA focus: Auckland <i>Tourism, Events</i> and Economic Development (ATEED).</p> <p>x No evidence of Fostering Investment</p>	<p>Who: AREDF, Auckland Plus, CfA, Champions for Auckland, ACC events team, Tourism Auckland</p> <p>How: Metro Action Plan</p>



Participants that were close to the project found it relatively easy to assess the impact of the Metro Report recommendations across a range of outcomes and effects as participant F demonstrated:

...some of the better outputs were projects like 'Bringing the World to Auckland', which was Auckland's first regional visitor plan. We did some work around a major events strategy as well. We managed to get Auckland united under a single brand and some of the work particularly in the skills area, and innovation area was starting to get stakeholders galvanised around some key ideas, and that work wasn't complete. I think we did see projects emerge like the New Zealand Innovation Centre, and that's gone through a range of metamorphoses since then as an idea, but there were some hard and fast projects that you saw people supporting. The other key infrastructure project was broadband, and we did do a lot of work that, albeit didn't deliver the way we expected it to, set a platform for some of the really good work that's gone on since. (Participant F).

## **Metro Action Plan Impact and Outcome Analysis**

As mentioned in 'Implementation' (Chapter 6) the MAP Action Plan was primarily the responsibility of AREDF and Auckland Plus. Some attribution effects became blurred, for example 'One Plan', with both the public and private sectors working on this recommendation in different ways leading up to amalgamation. Those that were close to the Metro Action Plan implementation, however, had little trouble in linking objectives to strategies and attributing outcomes, for example:

If Metro Action Plan hadn't have happened and these conversations gone on, I don't think we'd be any further down the pathway to actually solving the problem. We're at the point where we understand what we need to do; we're making the right sorts of investments and I suspect in ten years' time will be when we will see some tangible benefits. (Participant F).

I think what was powerful was understanding what the key areas were. They still had top of mind focus, even as the executive and structure evolved they were still sitting there as critical items that had to be addressed. So even if the strategy and everything that developed you know take effective action to transform the economy, increase Auckland's business innovation and export strength, take an integrated and region-wide approach to a coordinated innovation programmes, provide better support for early stage business, accelerate innovative businesses in Auckland, strengthen collaboration

between Auckland businesses University and crown researchers, gain more value from offshore networks. Well I think they've been done. (Participant N).

But the translation between the Metro Report and Action Plan was not considered a complete mapping and the nebulous nature of the strategies and actions underneath the objectives made it difficult to tease out impacts of the Report from the Action Plan and other processes, as these two opposing views convey:

**Researcher**

Looking at the fifteen recommendations and the international team's report, do you think they were reflected in the subsequent metro action plan?

**Participant**

They were to some extent. The international report was about pulling together the best of international thinking. Coming in, connecting with Auckland at multiple levels, and coming back with their thoughts on what Auckland needed to do. What we then did in terms of our processes, we then ran a series of workshops with key stakeholders, the private sector, around the five key action areas. We worked with stakeholders in each of those areas to develop the actual specific actions we'd focus on, and because you were going back to your community there was a bit of prioritisation and so did it actually directly reflect the international team's recommendations, more or less but not entirely. (Participant F).

I'd probably rate it over the fifty per cent – a moderate yes. (Participant E).

So in reading this document [the Metro Report], this is pretty clear in terms of a strategic agenda, the recommendations of the team. It's then been diluted by a bureaucrat of some description into something that could be, you could substitute any city in the world and have those five objectives, and then the strategies are so broad that it could justify anything being done and with an inability to prioritise between them... no wonder nobody could be held accountable. (Participant J).

The Metro Action Plan impact assessment (Table 9) takes account of these and other participant views supported by all data sources. A summary assessment of each objective follows.

**Table 9 Metro Action Plan Objectives Impact Assessment**

Metro Action Plan Objectives	Impact Assessment			
	1	2	3	4
1. Take effective and efficient action to transform Auckland's economy				
2. Develop world-class infrastructure and world-class urban centres				
3. Transform Auckland into a world-class destination				
4. Develop a skilled and responsive labour-force				
5. Increase Auckland's business innovation and export strength				
<b>Mean 2.5 (62.5%) indicating sufficient evidence for the Metro Action Plan having an impact against Objectives</b>				
Key: 1. No or Negative impact 2. Insufficient evidence of positive impact 3. Sufficient evidence of positive impact 4. Strong evidence of positive impact				

While objective one was in alignment with the Metro Report recommendation (2) 'One Plan' for Auckland, and was supported, there was no evidence or logic that this or other actions contributed to the objective of 'Transforming the Auckland Economy' (see Tables 5 and 6). Councils commenced a number of processes and work on 'creating a single plan for the Auckland city-region' including START, spatial planning and the 'one plan' working group. However it was also thought that this work tended to be focussed on spatial planning rather than creating a plan that would 'integrate infrastructure, planning, land use, energy, economic development, environment, social and cultural dimensions as a single vision and purpose for the region' (Clark et al., p. 6). Nonetheless, this work was attributed with laying the foundation for, and relatively rapid development of, the Auckland Plan. Overall this objective suffered from a nebulous strategy, with two out of three actions looking more like strategies than actions (actions 1.1.1 and 1.1.2), and a lack of connection between the actions and the objective. The reason for this, I believe, was that in the development of the Action Plan

the ARC drew notions of leadership, planning and execution (recommendations one, two and four in the Metro Report) as actions under objective one.

Objective two; action 2.3.1 'Complete the CBD and waterfront development' was strongly supported by participants and there was insufficient evidential support for action 2.2.2 broadband deployment. There was no evidence supporting actions 2.1.1 'an integrated infrastructure plan', or 2.2.1 'an energy prospectus.' 2.3.2 'fast track town centre development' had sufficient support and one could argue that action 2.3.1 was a clear contribution to recommendation ten 'New Zealand's Shop Window' in the Metro Report. In these respects Objective Two was a success which indicated that the objective was too nebulous, and there needed to be intermediate outcomes to measure success.

There was strong evidence in support of objective three. There was strong support for work on actions 3.1.1 a regional visitor strategy, 3.2.1 a regional brand identity and 3.3.1 a major event portfolio contributing to this objective.

...Again, ATEED has emerged as a regional growth organisation and in a relatively short period we've had some really big achievements. A good example of that is the work that went on around major events, and delivery of the Rugby World Cup has resulted in Auckland being awarded second in terms of the most event-friendly cities around the globe, behind London. (Participant F).

There was also strong support for strategy 3.4 using the RWC to 'create long term benefits' both in the promotional, branding and showcasing effects and the 'wider economic and development benefits.' These included a longer term focus on the visitor strategy and major events portfolio, and CBD and waterfront developments. A better rail connection and infrastructure to Eden Park was also mentioned. However, an expectation of some stakeholders was that the RWC would act as a catalyst to build a

new ‘world class’ sports stadium on Auckland’s waterfront and an international convention centre. These did not eventuate. The Metro Report recommendation that the RWC ‘can offer Auckland the opportunity to build new markets in high-value activities’ was not evident in subsequent actions or outcomes despite business cocktail events during the RWC. Overall there was strong support for the Metro Action Plan having an impact against objective three ‘Transforming Auckland into a world class destination.’

Objective four was thought to be a failure by participants (in particular H, D, R, J, N and S) mainly as a result of the complexity of coordinating the number of agencies involved. A business-led leadership group was established (action 4.1.1), but this objective, in particular, suffered from lack of an intervention logic, diffuse strategies, strategies being confused with goals, and a lack of targeted actions or projects with milestones and measurable outputs. As a result, it failed to gain support across a range of agencies and failed to make progress. Participant F, however, remarked that there was some learning from that failure:

What tipped out of that [skills work-stream] is problem definition, and we didn’t solve it but we got better definition on what the problem looked like and that put us in a stronger position to actually take some of the actions we’re taking now. (Participant F).

Work in actions 5.1.1 ‘a business-led innovation leadership group’, 5.3.1 ‘profile and promote innovation success’, 5.4.1 ‘identify the next centres of research excellence’, received strong support from participants. However 5.4.3 ‘better connect universities CRIs and businesses’ 5.5.1 ‘leverage international networks’ received insufficient support and there was no support for actions 5.2.2, 5.2.3, 5.4.2 or 5.4.4. There was also no support that any of the actions contributed to increased export strength, most likely because actions were focussed on innovation support not increasing exports; notwithstanding that innovation might contribute to increasing exports in the long run.

An overall assessment of 2.5 belies much of the work that went on behind the scenes by Auckland Plus and the members of AREDF contributing to some very high-level outcomes elaborated below. Its shortcoming was the nebulous and sometimes disjointed nature of the document in connecting actions to objectives.

## **MAP Systemic Impact**

High-level Impact Analysis has been assessed by synthesising the previous two assessments along with all evidence to assess the systemic impact of MAP. Threads and connections throughout MAP (2005-2010) have been drawn together to assess its overall impact on high-level outcomes. For example, the Metro Report recommendation four (Clark et al., 2006, p. 5) an empowered REDA, had related antecedents in 'Organising for Successful Economic Transformation' (BCG, 2002) and 'Governance for Economic Development in Auckland' (Wilson et al., 2008). All of these factors contributed to an improved RED practice in Auckland. Participants likewise drew threads together; for example:

So the biggies for me are undoubtedly was the Royal Commission that resulted in a reshaping of Auckland's governance structure, developing a single plan for Auckland which has now been achieved, building that regional development organisation ATEED - so having the mechanisms in place to actually deliver on the plan, a council structure supported by seven limited liability companies or CCOs, like Waterfront Auckland that could totally focus on the redevelopment of Auckland's waterfront - and there's been significant progress in that since transition. (Participant F).

So the first three they would be the critical ones. Enhanced leadership, one plan, and this idea of a jointly owned and capable regional development organisation to deliver major projects, I think that one is the execution capability. So it was those first four really, single leadership, single plan, strong execution capability and this whole issue of the funding arrangements. (Participant N).

**Table 10 Metropolitan Auckland Project High-Level Impact Analysis**

Outcomes	Impact Assessment			
	1	2	3	4
<b>Governance for Auckland:</b>				
• Royal Commission on Auckland's Governance				
• The Auckland Council: (1 council, 1 mayor, 1 plan)				
• One Plan; The Auckland Plan				
<b>RED Governance, Policy and Practice in Auckland:</b>				
• Governance				
• Policy and Strategy				
• Practice				
<b>Changed Narratives</b>				
<b>Changed Behaviours:</b>				
• Partnership between Wellington and Auckland				
• Partnership between public and private sectors in RED				
<b>Mean 2.78 (69.5%) indicating sufficient evidence that MAP as a whole had an impact on these high-level Outcomes in Auckland</b>				
Key: 1. No, or Negative impact 2. Insufficient evidence of positive impact 3. Sufficient evidence of positive impact 4. Strong evidence of positive impact				

Given an assessment of MAP showed sufficient evidence of a positive impact on Governance and RED outcomes the next section explores the CMO of MAP.

## MAP CMO Framework.

Systems-thinking allows one to view a programme or project in its entirety, at a particular time, and within a particular context. MAP contributed to a number of high level outcomes in Auckland and as participant F put it, with the benefit of hindsight, you can see the outcomes:

I personally think the outcome was a lot better than I expected it would be. That was because I had come from a local agency, I understood some of the political dynamics that were in the region, and the reality is Auckland was probably its own worst enemy. I think that it really took a pretty significant intervention to change what the region was doing, and what the various parties within the region were doing, and I would like to think, as I reflect back now, that MAP was a catalyst for something a lot bigger. (Participant F).

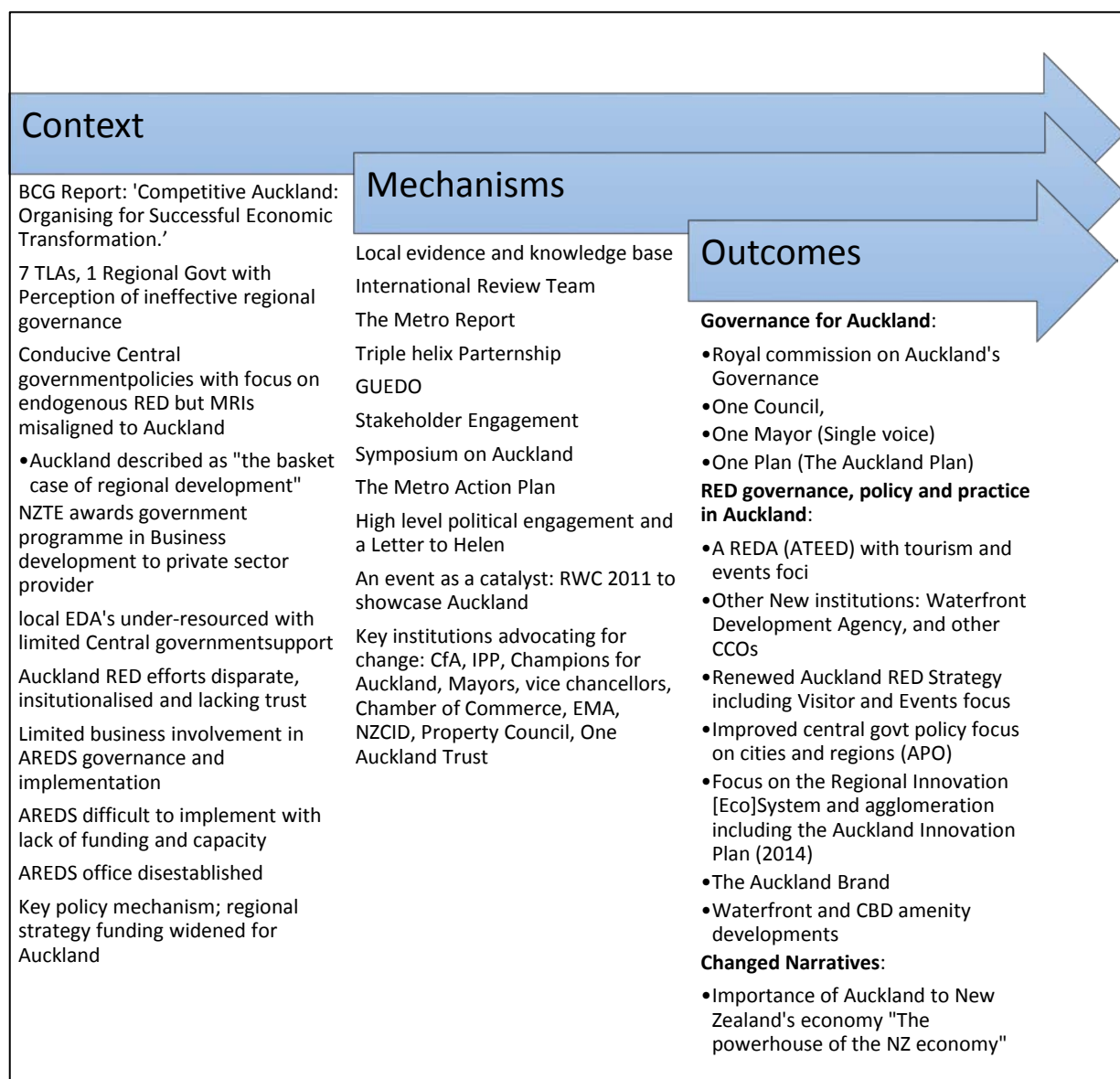
Figure 21 below outlines the CMO causal inference for MAP. It was not a linear process, even if presented in this way. Context, mechanisms and outcomes evolved over the course of the project which is represented by the arrows overlapping. One of the criticisms of RIE being used in a public sector setting is that not enough time is devoted to context (Davis, 2005). This had been addressed in this research with a comprehensive analysis of context. For example, conducive regional development policies provided part of the context for organising for RED in Auckland. The governance debate that provided context throughout MAP, became the primary focus, and was a major outcome.

Another hurdle for this research is the interpretation of a mechanism in the realist literature. Structural mechanisms evolved over the life of the project and were used to ‘explain large-scale transformation’ (Dalkin et al, 2015, p.2). Their mechanistic nature and importance was not predetermined but revealed through analysis of the data.

Outcomes were defined as [long-term] changes to people, institutions, government, policies and practices. The context (Chapter 5 and case study as a whole) and mechanisms (Chapters 6 and 7) for MAP are summarised in the CMO framework. This Chapter (8) has focussed on outcomes achieved, which are also summarised in the CMO framework. The inference that can be drawn from bringing these factors together in Figure 21 is that these particular mechanisms produced these outcomes within these key contextual factors. No attempt has been made to create CMOc’s further down the hierarchy as the meso-level analysis was focussed on the interrelated nature of structural and institutional factors that had a systemic impact. What follows, therefore, is a summary of evidence supporting the outcomes achieved in MAP. Outcomes not



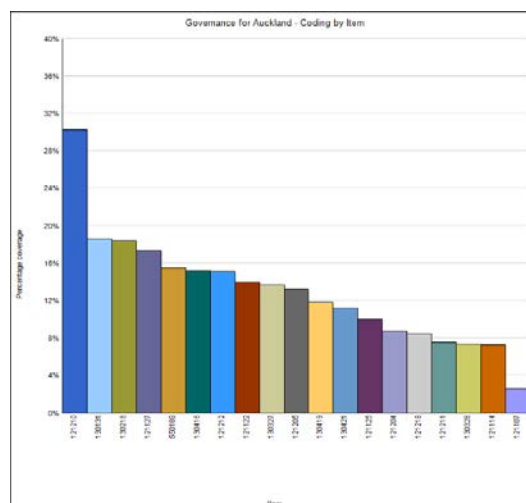
achieved, criticism and unintended consequences of MAP are also covered to complete the case study and impact analysis.



**Figure 21 Metropolitan Auckland Project CMO Framework 2000-2010**

## *Governance for Auckland*

Nineteen participants provided 129 references for this node. As mentioned in ‘The Governance Debate’ (Chapter 5) the ARC and other TLAs did not want MAP to be focussed on governance. However, the gap in regional governance became increasingly apparent as participant D put it ‘AREDS wasn’t being delivered, so MAP turned out to be an action plan for



**Figure 22. Governance for Auckland Node by Source**

creating a metropolitan city, really.’ The reluctance of councils to consider governance played a part in the process that led to a Royal Commission on the Governance of Auckland commencing in 2007:

They [TLAs] picked and chose what they actually got engaged with. I talked euphemistically earlier about it [the Metro Report] was a catalyst to a lot of other things that happened. Well, because councils didn’t run at the Metro Action Plan enthusiastically it actually precipitated the call for change and that’s why I linked those things causally. Once you start a conversation and you have a visionary like Greg Clark telling you what you could be, I think then when you didn’t actually deliver on that aspiration people went well "why didn’t we deliver on it?" Because we, in a governance sense, we were not structured in a way that we could pick something like that up and run at it together... (Participant F).

Most participants (18) believed that MAP had a significant impact on thinking and events that led to the Royal Commission on Auckland’s Governance as well as the transition and subsequent amalgamation of Auckland councils, and resultant governance arrangements for Auckland (participants A, B, C, D, E, F, G, H, I, K, L, N, O, P, Q, R, S and T).

When Metro came along, we were still with the whole legacy, seven, eight councils. There had been various discussions about governance over the years. In the international team’s report, there was definitely some things in there, in

a soft way, about governance. Then the mayors got together and started promoting a different governance structure with Michael Barnett and others... and then we moved into the 'Strengthening Auckland's Governance' which was more a collaborative effort with everybody around the table from the Councils trying to look at what would be a better governance structure. Of course, fraught with politics, and was never going to do anything radical. Greg [Clark] got air time with quite senior people in central government so I'm sure he was beginning to have some of those conversations about looking at our fragmented governance structure in Auckland. I don't know exactly what led up to the Royal Commission but all these steps in the process would have been behind that. (Participant H).

One participant believed that the counterfactual was true that governance changes would have happened regardless and that MAP was a convenient hook for a strong business and political lobby:

I think if you were setting up a debate, and that was the question... the negative would say there was a business lobby and political agenda who wanted it to happen anyway, and MAP was a hook or a means by which it was achieved, versus MAP influenced it. I think depending on where you looked you would have equal and opposite points of view. I would argue on the side of there was a big business lobby and political agenda, Business New Zealand, the EMA, and the Chamber, that got traction within the National Government who clearly in appointing Rodney Hide wanted a job done, and MAP was, I think, a convenient local project. This is what the region wants. Therefore, I think the governance changes would have been made even if MAP didn't exist. (Participant L).

However subsequently could see a progression:

...in hindsight the progression of non-regional thinking to regional thinking, to an attempt at regional thinking and acting within an existing fragmented governance landscape, to, over time, an acceptance that that governance landscape was limiting and for all the regional thinking and goodwill you could only go so far. That, reflecting on the progression and the role that MAP played, I think it was a catalyst for the conversation to occur and, therefore, accelerated the outcome... (Participant L).

MAP was a catalyst in impressing upon those outside of Auckland, particularly in Wellington, that Aucklanders were requesting change and that the counterfactual was on balance not true. Part of the problem was that the type of governance being promoted in MAP moved beyond government to including other actors in decision-making and promoted new ways of working which has had a lasting effect:

I think because of the way that it involved different actors, it probably improved governance and co-ordination as a result. I'd probably sign up to that. The true governance in the way that I can conceive of it was still pretty nascent at that point and we can see it unfolding much more now than we could back then. (Participant K).

The relatively short time that it took to implement amalgamation was thought to be partly because of business involvement and the civic leadership displayed by some business leaders, but mostly that the Metro Report had galvanised stakeholders. Answers to Question 6 in the interview, 'Looking at the Metro Project as a whole, do you think it helped to improve Metropolitan Governance in Auckland?' revealed the impact:

It's amazing that it's all happened in such a short time. This was six years ago that we were thinking about it and now it's actually all done and dusted and we're there. We could still be reviewing! [Laughter].... this was a really key catalyst because it got attention in a positive way; a) of how vital Auckland was and b) of how movement needed to happen quickly, and that there was support. That business support was quite critical. (Participant O).

Absolutely. I think it must have been under-estimated that MAP put the framework into the structure that will last for fifty years... It was the galvanising thing. Without that, it would have drifted for maybe ten years, and they'd say oh, Auckland's still getting its act together. No-one can say that now, Auckland is just the opposite. (Participant B).

Yes. God, you could almost have Blind Freddie as the mayor and it would be better [laughter]. Do you remember it? It was terrible! (Participant D).

Oh hell yeah. What exceeded my expectations was how it was a big catalyst for those Mayors to go down to Wellington to see [Prime Minister] Clark to get more involved and set up this whole transformation of Auckland. Yes there are grumbings, but by any measure, it's a huge success. (Participant N).

Absolutely. Metro was one of the projects on which the decision to proceed to set up something new was based, so I think it clearly had an influence. If MAP, for example, had produced a report that said these alternative ideas won't work, we still think it's preferable to stay with the system as was, then that would have been quite influential. The fact that it came up with a programme of support for change - I thought it was a foundation step in going forward. I

think other cities wanting to have a look and see what happened in Auckland could well have a close look at MAP. (Participant G).

Yes, absolutely. Part of it is timing in successfully getting off the ground, but the lack of coordination between efforts, between different councils, it had become so obvious. You forget that there was a whole series of papers, “there are no successful countries without a successful city at its core”...that’s a very powerful statement. Then you start looking at it and saying how can you have success out of this collection of different voices and its bizarre structural stuff, not that everything has to be structured like a corporate, but there has to be some sense of, to achieve an outcome, these things have to slot together and not be higgledy-piggledy... So I think part of it is timing and maturity and part of it is how people expect cities to operate. Part of it also is the spotlight had been on it for a while and people just got fed up. I think that central government had also got fed up is also very important. (Participant C).

Central government remained on the fence in 2006 but encouraged Auckland to take the opportunity that had been provided by MAP:

Prime Minister Helen Clark and Finance Minister Michael Cullen, long-time supporters of some sort of Auckland “super city”, are reserving their positions. Clark had initially said that more competence at a regional level would produce financial efficiencies and offer more scope to invest in a lot of big-picture projects. She added that the issue was about recognising that Auckland was “on the cusp of either going all the way to being a metro region of scale or lapsing back and muddling along”. (Clark cited in Hunt, 2006).

Local government were also not convinced with differences of opinion between layers of government:

### **Participant**

The politics of all of this from central government wasn't helped by the relationship with the ARC, who were seen to be, under the chairman at the time, a reluctant player in helping the government move forward on the governance changes.

### **Researcher**

There was an interesting process right in the middle of it where the four metros (city councils) all met on these issues?

### **Participant**

I went to the meeting with Helen Clark at the Town Hall with the Mayors, Bob Harvey and Dick Hubbard and George Wood and all those guys, and they all agreed, in fact, I think they all signed a piece of paper, but the ARC chairman didn't come. I remember having the conversation with the Prime Minister

where I said you'll never get to where you want to go on this without getting an external review, it's the only way you're going to break through this and that's where the Royal Commission came into play. (Participant K).

Some mayors had changed their minds and been convinced of the logic of looking at one council for Auckland, even if they stood to lose their job. Local government was still divided and many central government officials were wary of creating a more powerful council in Auckland, however the political mood, in particular amongst the four city Mayors, had created a sense of inevitability:

**Participant**

So the Mayoral [Forum] voted, and because other players hadn't been involved [ARC], they voted it out [the motion to accept the report on 'Strengthening Auckland's Governance']... So Bob Harvey [Mayor of Waitakere City] went back to Waitakere, and in his words "went away a cock rooster and came back a feather duster" [laughter]. Hence we got a Royal Commission a little bit later.

**Researcher**

...Do you think there was a sense of inevitability around it?

**Participant**

That's right, and typical central government bureaucrats, they never commit themselves, but there just seemed to be something missing, and that led to [Prime Minister] Helen Clark announcing the Royal Commission on Auckland. Something had to be done. (Participant J).

## **Royal Commission on Auckland Governance**

An important step in the governance journey for Auckland was the Royal Commission on Auckland Governance. The context for this to happen had been created by the various mechanisms during MAP (participants D, E, F, G, H, J, K, N, P, Q and R).

Approximately one year after the launch of the Metro Report in July 2007 a Royal Commission on Auckland Governance was launched and central government were emboldened by MAP:

...how much support would need to be gathered from the existing legal structures of local government, central government and what have you, to get to the point where a Royal Commission was asked to look at it? Without that Royal Commission we could never have done it, who else would have advocated, would our [particular] voice have resulted in a change at central government level, something of this scale? I don't think so. To restructure the way a third of the country is run at a local level was a bold move. I would suspect central government, given that two-thirds of the MPs don't represent Auckland, would have found it quite difficult to call for a change when it was going to set Auckland apart and give it even more power... I think Helen Clark and her government deserve recognition for being bold enough to say, Ok, well if there's that strength of view there we'll take it off the political agenda and put it on to a Royal Commission. (Participant G).

Various Metro Project stakeholders and participants made submissions and were privy to processes that supported a Royal Commission being sought to look into Auckland's Governance. The connection between MAP and the Royal Commission was that MAP had revealed inadequacies with Auckland's governance, particularly from an economic development perspective, and, as such, it acted as a catalyst and informed the debate:

I think it had a very significant impact. I mean if you go through and you look at what Peter Salmon (lead Commissioner) and the commission wrote, most of the information, in terms of who to go and speak to, came from what we picked up through that whole [MAP] process... (Participant N).

Participant D was certain of the connection; 'Would we have got a Royal Commission on Auckland Governance without MAP? No.' The Royal Commission's report was considered to be a very good piece of work with a thorough consultation process. Its recommendations for the governance of Auckland, however, were not fully taken up by the National Government in 2010. In particular, the form of local government being two tiers of local government was replaced by a single unitary council with 21 subsidiary local boards, and recommendations around wider notions of governance and a better partnership with Wellington were downplayed. The process itself also caused the Metro Action Plan to lose momentum during and after the delivery of the Royal Commission Report:

Did we lose some impetus?

**Participant**

Yes, I suppose all the people went into paralysis when the reshuffle [amalgamation process] came along so it was a difficult operating environment.

**Researcher**

Interestingly, the regional forum [AREDF] went right through to 2010 so it was still operating during the Royal Commission process...

**Participant**

I think we probably lost two or three years of good ground, didn't we. You can't shuffle all this many people around more quickly than we did. The Royal Commission was pretty speedy, really. I think you just have to suck it up. One of these days I'm going to go back and read that report again. It was like this one, so well written; good piece of work. (Participant D).

The Royal Commission contributed to the on-going debate on the governance and operations of a metropolitan region, and even though not all of its recommendations were implemented, many were. Viewing Auckland as a city-region, one mayor (with widened executive powers) one council, one plan and rationalised service provision (through CCOs) were all reinforced. For example, the Auckland Policy Office's (formerly GUEDO) role in the Auckland's governance was reinforced in Royal Commission findings to play a mediating role between Auckland and Wellington in policy and strategy development through a stronger research focus on city-regions. Research foci included city-regional governance, the role of cities in national innovation and economic development, urbanisation, infrastructure, housing and regional development:

...there were also spin-offs in the relationship with government. MAP contributed to the growing awareness in government that they needed to deal with Auckland as Auckland and that's significant. So that wasn't necessarily one of the major objectives but it was a by-product of what happened and we shouldn't underestimate that. That goes hand in glove with what became the Auckland Policy Office and all of their efforts to have [strengthened] policy capability... (Participant L).



Yes, it helped inform the body of knowledge and the thinking about cities and the roles cities have in the national economy and particularly Auckland. So it's part of that evolution. (Participant Q).

The Royal Commission had proposed a governance structure along new regionalist lines with attention to regional governance and it required a response from central government.

### **The Auckland Council: One Council, One Mayor, One Plan**

One (unitary) council was formed in 2010 with one mayor with its first task to develop a spatial plan (one plan) for Auckland. Notions of united leadership, one plan, and a mandated REDA had come to fruition (participants C, D, E, F, G, H, J, K, N, O, P, Q, R and S). Collaborative behaviours, however, were still a work in progress:

I think while getting people to behave collaboratively was beyond the capacity and capability of this project it did mark a new era in economic growth and development for Auckland. It laid a platform for the transformation of Auckland into a region of size and capacity led by a political figure with far more clout than existed anywhere in the country before. Relationships with central government agencies have changed and I believe the country and its people are beginning now to recognise the importance of Auckland as NZ's only city of international scale. (Participant F).

Some participants commented on the enhanced ability to make decisions and with one mayor (with new executive powers and a policy unit), and one council with a larger balance sheet:

I think the empowered mayor and having his independent office, and the ability to move a budget I think that's worked. I don't think Len [Brown] could have pulled off as much if he hadn't had a bit of extra grunt and you could see that, I watched it in the council chamber on the last day of the Auckland Plan... (Participant D).

...it has actually allowed us to have a new beginning and the idea of a plan owned by an executive mayor is a concept that is now unique in local government in New Zealand but is one that has traction as being best-practice... you just have to look at how supportive a range of sectors are for

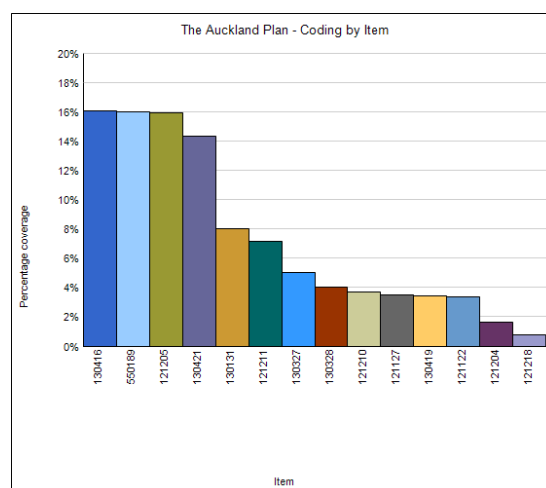
that plan, not necessarily all the detail but the idea of Auckland having a clear plan. (Participant F).

There was also recognition that the first mayor and chief executive played significant roles in the transition to a new authority, taking a regional view and bedding in the notion of one plan with new councillors and staff:

...Len, he's quite an inclusive Mayor and he gave all the councillors some type of panel role and that was a crucial thing to do and it got everyone looking at Auckland as a whole and taking responsibility as a whole... everyone had to focus on One Plan... I think all that cemented, albeit early days and still fragile, a good direction. How Doug<sup>109</sup> pulled off what must have been the most complex of mergers, you know it's complicated to play at a corporate level, but to do it in a political environment! (Participant N).

## The Auckland Plan

This node explored the connection between the One Plan recommendation in the Metro Report and the Auckland Plan. Fourteen sources provided 44 references for this node. All could see the connection and the influence of the One Plan recommendation in the Metro Report, followed by the One Plan work of councils that emanated from the Metro Action Plan, advocacy by CfA



**Figure 23. The Auckland Plan Node by Source**

and associates, special provision in the Auckland Council legislation (2009) for the ‘Auckland Spatial Plan’, right through to the development of the Auckland Plan under the New Auckland Council in 2010:

<sup>109</sup> Doug McKay was the first CEO of the new Auckland Council, who came from previous senior executive roles in large private sector companies including Lion Nathan, Carter Holt Harvey, Goodman Fielder, Sealord and Independent Liquor. See: <http://www.stuff.co.nz/business/industries/3505681/Aucklands-new-top-chief-announced>

One plan almost goes without saying that was one of the core, that's got to be one of the top ranked in the ranking, I would probably say that was first. (Participant G).

...if MAP was only ever going to make one thing happen, and that was it, you'd have to say it was a success. (Participant N).

One Plan for Auckland; that was a consequence of it. We now have that one plan regime. I've talked about context, we did actually need it because we'd reached that point, certainly we realised it, but probably others, that we did need to have a view on Auckland going forward, its context in the world and the Asia-Pacific region. (Participant J).

This process was considered fast by some, considering there were very big institutions affected:

I suppose all my life I've been involved in change and change management and trying to drive change. I think I probably now do have a bit more of a long-term view and I can see the way that the thinking and getting on to the public agenda, all of those recommendations, have been influential and I can see them reflected in the new Auckland Council and in the Auckland Plan. That was 2011 they got the Auckland Plan done and you're talking about this starting in 2006, that's five years. So, it depends on what your expectations are of how quickly you can move very big engines, but this was quick... (Participant S).

The issue of funding, however, remained, even though the governance changes had created a larger Council and REDA, a partnership arrangement between Wellington and Auckland remained elusive with negotiated processes continuing to be needed regardless that agreement on priorities had been reached:

...What is just so much more difficult to change is the funding, to get to joint funding, we're not really there yet. I do have the long view in mind where we have an agreed Auckland Plan, that is a real Auckland Plan that government agrees is their plan too. Everyone's agreed, here are the priorities, here's what we'll fund, agree on real goals and investment. So yes, definitely on some things we haven't been able to shift completely yet. (Participant O).

Furthermore, innovative funding arrangements to fund large infrastructure projects (recommended under 'An investment prospectus') had not eventuated, leaving the newly formed Auckland Council to negotiate with central government on a case by case

basis, in effect not achieving any new kind of subsidiarity, alternative funding mechanisms for local government or different funding mechanisms for infrastructure in Auckland, short of those it instituted itself. Nonetheless participants supported the notion that the One Plan recommendation set in train processes that resulted in the Auckland Plan becoming a reality.

### ***RED Governance, Policy and Practice***

Seventeen from 20 participants contributed to this node to explore the impact of MAP on RED governance, policy and practice. Each sub-node is explored more fully below. Some of the strongest statements made by participants were collated for these nodes in support of MAP progressing RED governance, policy and practice.

The notion of “regional” economic development in Auckland before MAP suffered from disconnected and disaggregated efforts, particularly thinking and acting in city-regional terms, even if central government policy-makers believed they were beginning to get the policy settings right for Auckland. Many agencies and institutions had to grapple with a new approach that was contrary to the way they had operated:

It’s a hugely difficult space and it is quite remarkable that almost overnight Auckland city is being seen as Auckland City. Those kind of boundaries, like those of the EDAs, they were horrified at what was happening, but that’s what was extraordinary, it all came together. (Participant I).

An inability to provide the mechanisms to implement RED in a cohesive way thus moved the influence of MAP from RED, to governance, planning and RED:

#### **Researcher**

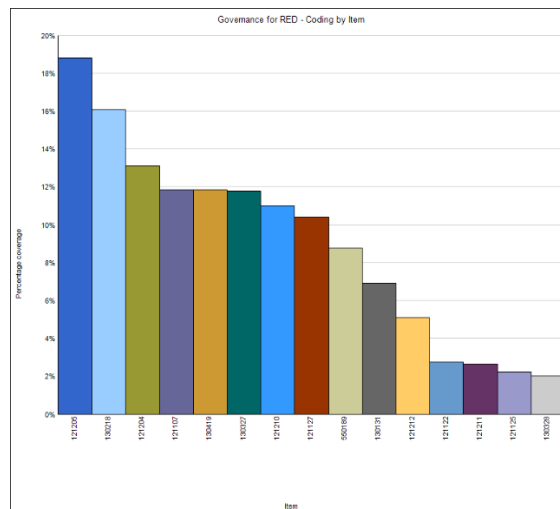
...in a way, then, the focus of MAP was RED, but what actually came out of it was quite different?

#### **Participant**

That's right, because of the political leadership stuff and then governance failure. (Participant J).

## Governance for RED in Auckland

Fifteen participants contributed strongly to this node. That MAP had enabled new conversations and partnerships to happen was strongly supported by participants, and these things had contributed to a desire for attracting and cross-fertilising different knowledge and resources in the governance of RED:



**Figure 24. Governance for RED in Auckland Node by Source**

...if there is one thing that amalgamation is doing, only one thing, let's say it doesn't get any savings, is that the level of intellect that we've been able to attract. Because of the cross-fertilisation of knowledge coming from different areas, not just knowledge coming out of central government and local government. (Participant N).

### Participant

The waterfront development was a bugger's muddle until there was local government reform. You would never see what you see there today in the old governance environment.

### Researcher

Auckland City had some good stuff under way though, didn't they?

### Participant

Yes, but the ARC nobbled them at every turn. The time it took, God! (Participant L).

The cross-fertilisation of knowledge and thinking needed to be embedded in governance structures:

All the councils at that stage had their own economic development strategies. MAP helped to reflect on those strategies and the thinking. One of the real

legacies, and you've always got to think about what legacy did it leave, how did it impact on process and policy, was that it did definitely sow the seeds around governance, and look where we are now. (Participant H).

However participant A was unimpressed by implementation in new council structures, particularly the governance of ATEED, intimating that despite good intentions through MAP and Royal Commission findings RED was caught up in the haste to amalgamate councils and not enough thought went into picking up institutional knowledge in designing new structures and employing new people:

The process regarding the EDAs was not good. Being interviewed one by one for someone in the ATA to understand what was going on should have only formed one part of their discovery... because that left the decision-making regarding the future organisation, what it should look like and be doing, in the hands of one or two people who may or may not have had an economic development background. My view would be there was some really good stuff happening within the sub-regions, and certainly if I was pulling all those agencies together I would have done it in a more open way. More workshop, let's get everybody together, let's collectively agree what's the right way of doing things, not, I'll talk to you and you and you and then I'll figure out what the answer is. (Participant A).

Participant A also believed that governance of the agency had been 'manned with people who don't understand economic development properly.' These sentiments were echoed by participants (E, L and T) where new institutional structures did not guarantee improved functioning or behaviours and may have lost focus on, and connection with, local economic development:

Local economic development is gone and so part of the job I'm doing for Karen Lyons (Auckland Council Local Board manager) is thinking of what is the role of local boards in economic development and whether there is one... So the governance issue is never gone. That's why I was saying at the beginning you replaced one model by another, and there are still some cracks. (Participant T).

That said, participant A also believed that the principle of one economic development agency for Auckland was right and that it should have 'all the levers necessary to drive the economy, including tourism.'

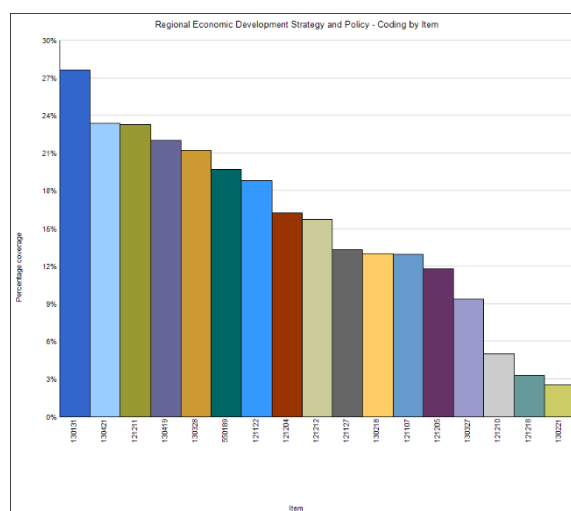
A final criticism was that while ATEED had a private sector board, it was still following the old CCO model where the board was selected by Council and the work programme followed a new strategy developed by council with no sense of ‘joint ownership’:

Regional Development organisation jointly owned by the main partners - that never really happened. Auckland Plus may have gotten a bit bigger and better, and ATEED, I suppose, is where that got to. (Participant R).

Nonetheless, participants believed that ATEED and Waterfront Auckland were positive outcomes of MAP and that these criticisms needed to be thought of in the context of a much stronger institutions for RED.

## RED Policy and Strategy for Auckland

Seventeen sources provided 136 references in support of this node. Participants believed strongly that the Metro Report recommendations were appropriate for the time (rated average 4/5) and improved the strategic context for the Metro Action Plan. Many also believed that MAP as a whole influenced the subsequent economic



**Figure 25. RED Strategy and Policy for Auckland Node by Source**

development strategy in Auckland Council post-amalgamation (participants A, D, F, H, I, K, L, N, O, R and S):

... I think the Metro plan thinking actually did influence the economic development strategy that came out of the Auckland Council. RWC and waterfront were in the plan. I think about how ATEED thinks about what its

opportunities were and the big ticket items to focus on. I think it was a significant influence in the direction, policy and priorities. I think that's a really successful outcome. (Participant S).

...to look back on the recommendations and know they are all hard-baked in either the Auckland Plan or the economic development strategy today because you could actually just about tick every box on all those fifteen recommendations. You could tick every single one of them and say, actually, that appears somewhere in the current economic development strategy. (Participant F).

Participant K thought it also 'gave more profile' and 'enabled' central government policy and strategy work to be 'tailored to Auckland circumstances' than would otherwise have been the case:

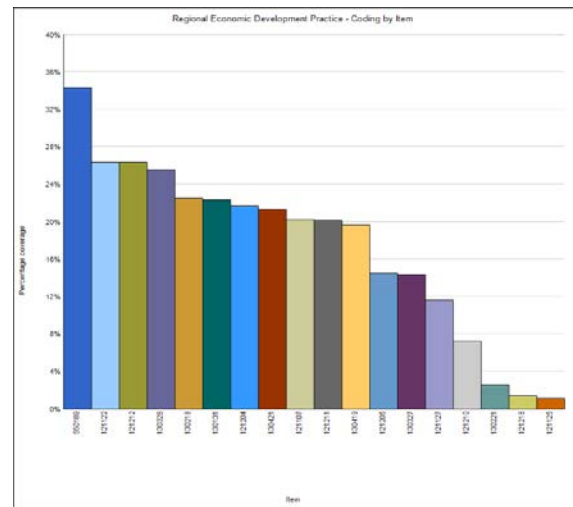
Yes, I would say it improved it, but the context here is that with the change of government back in 1999-2000, for RED we were re-inventing the wheel, to be honest. We were bringing in concepts around economic geography and stuff which had lain nascent for twenty years. So I was doing a lot of work thinking about RED up and down the country and the ability to do RED in Auckland was better than what we had in many other areas largely because Auckland had more resource and more thinking grunt to put into it. RED is much easier when you've got that than it is in [say] Southern Wairarapa or West Coast [South Island]... So, did Auckland make progress through this process? Yes, I think it did. (Participant K).

However some participants thought that the new economic development strategy was once again high-level, aspirational and nebulous and the ATEED work programme followed the predictable pathways of regional promotion, tourism, events, innovation support and business development, all features of previous EDAs and council activities. It neglected wider development mandates, such as skills and labour market development, infrastructure and local economic development, and as such was still not an integrated approach (participants A, L and P). Overall, however, there was strong support for the impact of MAP on RED policy and strategy in Auckland, but the practice of RED also needed to be assessed.



## RED Practice in Auckland

Eighteen sources provided 119 references for this node reflecting on the contribution of MAP to RED practice in Auckland. Participants felt that not only had a REDA been formed, but other agencies such as AT, and Waterfront Auckland also became part of a wider network of agencies involved in RED:



**Figure 26. RED Practice in Auckland Node by Source**

If you think about what actually led to the point that we're now at, right back to AREDS and then through to Metro, there was discussion about whether you needed an independent economic development agency or not in Auckland, and it was just too much of a step for the region to take. But when we came to the governance reforms, all the work keeps building on the last thing and the setting up of ATEED is what we couldn't achieve earlier in our development as a region, but that came through loud and strong for being a key CCO to set up. (Participant H).

Yes, Waterfront Auckland has an economic development contribution that is massive... So the thinking that went into MAP has continued and people were thinking: what's the growth generated by upgrading the cruise facility? What does Wynyard Quarter produce? What will the marine industry produce and what are the pieces of infrastructure that needs? How will the transport investment underpin agglomeration? Is the sector working better? There's more cooperation in marine and I think it's because there's some wider thinking... it's not just marine and the EDAs anymore, it's a wider network. (Participant D).

I think it helped to cement in place a difference between the local EDAs that were primarily focused on business development advice to individual companies to the more regional space of inward investment attraction and strategy and branding. I think MAP helped to cement in place that division of labour that at the time was really important because we had a whole lot of people pretending that they were doing both things. (Participant M).

On a very basic level there is a need for original action planning, that it is a useful exercise. It's really difficult to implement strategies because at too high a level they are open to interpretation.... to a large extent the previous

economic development agency failed because it didn't understand, nobody helped the agency to understand what success was. (Participant T).

Not only were there network effects there was an increased strength and negotiating position:

I think get the governance right first. I do think it's made a difference. I operate today in a far more supportive environment than I did then and I think if you're asking me what some of the benefits are, I'm in an agency with critical mass, I'm in an agency that central government players respect because we're as big as they are and we are able to throw as much resource at issues, and ultimately I'm in an agency that can actually get things done. (Participant F).

Thus, even though there were some cracks in governance, policy and strategy, and some functions that needed attention such as local economic development, a more integrated regional approach had been achieved.

### ***Changed Narratives and Perceptions***

The MAP partnership had demonstrated new governance behaviours and greater agreement on the priorities for Auckland had been achieved. The objectives of partners to change perceptions in Wellington, and an understanding of the role of Auckland in the New Zealand economy, both within and external to Auckland had also been achieved:

I think what we did incredibly well was change the mythology about Auckland, was change the story about Auckland, was change the willingness about Auckland, we're still on that journey in a way, and the governance reforms were part of that... I used to go down to Wellington and hear Auckland is just a cot case. I don't hear that now. (Participant O).

Yes, because it finally put economic development in the metropolitan context and because finally we talked about cities and growth and I think from there we went on to the strength of agglomeration. Remember the CBD had never been thought of as a strength for the outer parts of the region. One of Nick's lines: "there's no successful city-region without a successful city". That's what was born, the concept of the city-region. That's what the review did. Once you

start talking about a city-region then you have to start thinking about [the] CBD and its role, and nobody had ever done that... (Participant D).

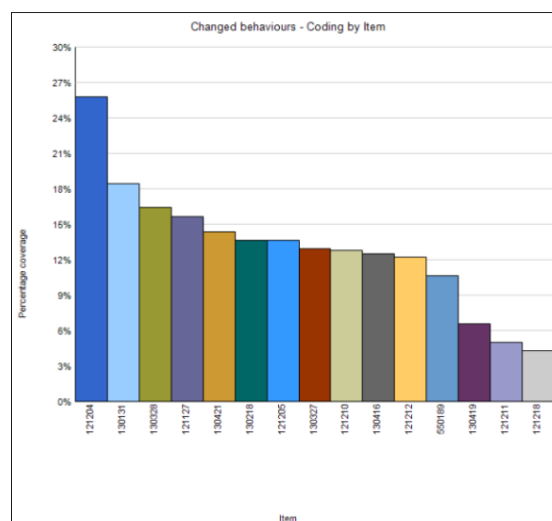
There's now quite a positive attitude towards Auckland as a city-region rather than a number of individual pieces, and that is the major success. The economic outcome? - Nobody challenges the fact that we want to be economically successful as a principle... (Participant G).

The rhetoric around Auckland had changed, but had the behaviours of major institutions and people within those institutions changed? Had the relationship with Wellington improved? Was there a better partnership with Wellington? As New Zealand's primate city-region, the success of New Zealand's economy is intimately related to the success of Auckland's economy, so, was there a new subsidiarity? Was there more horizontal and vertical integration? Was there more flexibility to meet challenges? The answers to these questions were mixed, indicating there was still work to do.

## ***Outcomes Not Achieved***

### **Changed Behaviours**

Fifteen participants provided 76 references for this node. This node was used to explore evidence of changed behaviours within the public and private sectors as a result of MAP. There were mixed responses, with some participants believing that the partnership displayed during the early part of MAP, and closer engagement with the private sector and



**Figure 27. Changed Behaviours Node by Source**

wider community in decisions during MAP, has had lasting effects. '[T]his last decade

has seen a change in the way that business engaged with its community' (participant E). The public sector has begun to provide 'high-level statement[s] that the private sector needs' (participant F) in order for them to make investment decisions.

New governance arrangements provided the opportunity to integrate horizontally and vertically and build a more collaborative model. New CCOs were able to focus more on their mandates with more resources and stronger governance (participant E) and, as a result, enabled organisations to think and act more strategically:

The other really good thing is the process allowed us to think a lot more strategically about Auckland's role versus the rest of New Zealand and we really do, as an organisation, we're committed to doing our part for New Zealand as opposed to Auckland positioning itself at the expense of other players... How do you operate when there's such a large entity sitting in the landscape, and he [Greg] was able to bring his experience of London versus other players in the UK to bear regarding how you would operate collaboratively... For me part of the value added by the Metro Project was less about the actual plan and output and more about the conversations that went on following it... the indirect outcomes that have been far greater in terms of enhancing people's thinking... (Participant F).

Participant Q believed that the appointment of Doug McKay as the first CEO of the new Auckland Council was an indication of new thinking being applied. However, what the new CEO was confronted with was politicians and council officers who carried entrenched behaviours with them:

One of the reasons Doug [McKay] actually did it was that he came with a totally fresh style. I mean he was a businessman, and I think it took Doug a little while to get used to the politics because he wondered what the hell had struck him. But he's got a business brain, very good operator, getting the feedback, probably frustrated a bit by the system, but the thinking, he had to get the thinking down at lower levels... (Participant Q).

Others believed that new institutions did not necessarily mean that public sector officials would change the way they engaged the wider community in governing Auckland:

...you may have one more efficient body but if it's not really efficient, it's bureaucratic, it's more dangerous. All you're doing is centralising a more powerful backward-thinking bureaucracy... (Participant P).

Participant D also relayed that the relationship between the private sector and public sector that had been built during MAP had not been taken advantage of well enough in new institutions. Political appointments to CCOs and council officer appointments may have undermined that intent:

So there are some things that are better and some things where the jury's out. I think working in a CCO, we are not making the most of our Boards and thinking about that wider notion of governance and city leadership... I think the calibre of our directors on the CCOs should be the best Boards in New Zealand, but I don't think they are. The appointments weren't great, but also, we don't use the capabilities of the people that we've got on them and I'm not sure how much influence they have back into the Auckland Council either. I know they're there to run their businesses but if somehow we could combine the grunt of the Boards of Directors alongside the grunt of the mayor I think that would be very powerful. This is a different way of thinking. I don't know if it's been harnessed as well as it could have. (Participant D).

Any notion of an integrated effort in spatial developments, transport, labour market development, economic development, housing and construction were also not apparent, and efforts addressing fundamental issues of how Auckland contributes to the New Zealand economy, for example in raising export value and volumes or addressing how the Auckland housing market distorts New Zealand's terms of trade, are also absent.

Lastly, there is the belief that while amalgamation enabled CCOs to concentrate budgets, and, therefore, gain a stronger negotiating position with other central government agencies involved in economic development, they are all still operating in relative isolation of one another. With regard to subsidiarity, central government and local government functions and roles have not changed, budgets and locations have:

I think that what we learned during all the period of change from MAP through the Royal Commission and then the ATA and so on. I think there's a danger that we will slip back into our old ways of behaviour unless we're very, very careful... So unless you're on your guard, building this wider sense of

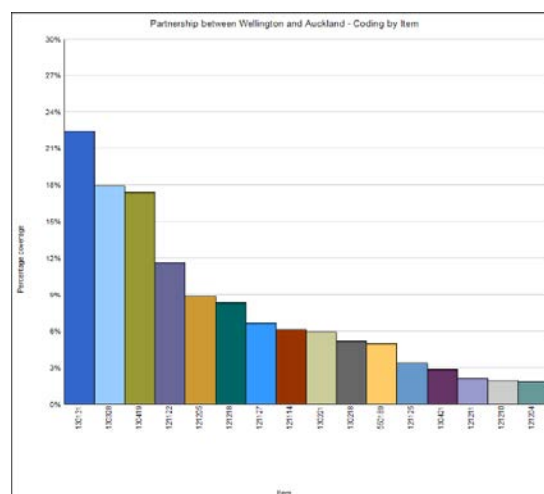
governance, you revert. Yes, go back to working inside the Council instead of working across Auckland. (Participant D).

So while there was evidence of substantial institutional change participants were reticent to support that behaviours towards a change in focus ‘from a system of hierarchy which seeks to dominate production and distribution to network-based systems that accommodate different tasks and exhibit flexibility’ (Wallis, 2002). Instead, there was evidence of similar council behaviour translated into new institutional arrangements. Once governance structures had been put in place, the utilisation of wider knowledge and resource and flexibility in adapting to new information was less apparent. Hence, a new regionalist notion of governance, while represented in the various structures, was not evident. A second narrative and expectation was a better partnership with Wellington discussed below.

## Partnership between Wellington and Auckland

There was a mixed response to this node.

Some participants believed that there was collaborative behaviour, more frequent and open discussions between agencies in Wellington and Auckland and a strong role for APO (previously GUEDO) in bridging those discussions. Others believed that entrenched divisions between tiers of government persisted and partnership did not extend to



**Figure 28 Partnership between Wellington and Auckland Node by Source.**

funding, with some taking a jaded view that central government picked and chose what they would support rather than partnering with the region to decide on and fund priorities. Starting with positive views, participant M believed that:

... MAP contributed to the growing awareness in government that they needed to deal with Auckland as Auckland and that's significant. So that wasn't necessarily one of the major objectives but it was a by-product of what happened and we shouldn't underestimate that. That goes hand in glove with what became the Auckland Policy Office and all of their efforts to have policy capability... that understands Auckland, and can engage with stakeholders, was all part of that process. (Participant M).

Participant H saw a much stronger relationship between Wellington and Auckland evolve as a result of MAP:

You can see a much stronger relationship between central government and Auckland now and central government in a more joined up fashion. The Auckland Policy Office now has a high-level official meeting with Auckland Council senior officials and central government senior officials. Auckland Council also has more central government ministers coming up as a team to meet with them a couple of times a year. Those sorts of things didn't use to happen... (Participant H).

The size, budget and political mandate of the new Auckland Council played a part in engaging central government in discussions about Auckland's development, but agreement on funding and implementation was much harder even though CfA's 'The Case for Auckland' report had dispelled the idea that Auckland was receiving more than its share of central government funding:

...What is just so much more difficult is to change the funding, which is what we're saying, to get to joint funding, so we're not really there yet. But if you think back to the journey, I do have the long view in mind, so I guess my long view is that we have an agreed Auckland Plan that is a real Auckland Plan that Government agrees is their Auckland Plan, too. It's Government's Auckland Plan as well, and everyone's agreed, here are the priorities, here's what we'll fund, so agree real goals and investment. So yes, on implementation, definitely on some things and on other things we haven't been able to shift completely yet. (Participant O).

Yes, that's interesting... I'm being a bit cynical, that central government would put some money behind some of those actions. Have we seen much? Not much, really. I mentioned before there was two million dollars that was granted, only to be de-granted two months later after months and months of effort put into an application. So financially, I don't think that we saw much directly from central government. (Participant T).

Participant R added to the funding issue saying that regional agreement is one thing, agreement with central government is another:

...I was looking at infrastructure... there was a perception that the reason the funding wasn't coming through and everything else was because local government wasn't joined up, which actually wasn't true... the TLAs and the Regional Council all agreed about the transport strategy for the region: the big deal was that central government didn't agree, and that's the same now. The Auckland Plan has got exactly the same issues... (Participant R).

Therefore, the Auckland Council did not [and do not] have the governance mechanisms, decision-making power or resources to fully implement the Auckland Plan:

... It's interesting what it actually throws up for Auckland now... because the mayor can't do it on his own... there is still a leadership gap that can actually drive the change and influence the implementation of the big strategic vision that MAP was heralding... so that's sobering reflection really, because, that was one of the first recommendations, wasn't it. I actually think it's very visionary plan, that Auckland Plan... recognises a lot of the ground that MAP was talking about but it hasn't got a partnership model for implementing it. (Participant S).

Others believed that power relationships between tiers of government were still fraught, institutional constraints were hard to break down and consistency was hard to achieve:

I think the intention was always to build a better partnership. I don't know if we were able to achieve that... Governments change, ministers change, priorities change and so you find yourself saying one thing and then the next day it's something else. So that's always a difficulty when you work in the public sector... (Participant Q).

Central government still had a responsibility to the rest of the country and could not let Auckland dominate proceedings. Therefore, the notion of a 'partnership between Wellington and Auckland' was notional, and there was no evidence of entertaining increased subsidiarity for the Auckland Council:



...We were given some good advice by Labour politicians actually, at some stage we went to consult both David Cunliffe and Phil Twyford and both of them gave us good advice, that is still relevant in the case of Auckland's future, and that is to remember that no matter how big we are in relation to the whole of the country we're not as big as the rest of the country... Their challenge is to satisfy all the other parts of the country that it's fair and reasonable to support Auckland projects... and that's always going to be a handbrake on what can be achieved. We've got to recognise that we can't be turning to government expecting them to turn on the tap when we decide it should be turned on. (Participant G).

However, gaining agreement between central government and the Auckland Council is now made easier through the Auckland Plan, as the processes to develop the plan, and subsidiary plans like the Auckland Economic Development Strategy, provide the opportunity for agencies to work together:

If we can build things where the central government and the regional government come together and agree on things, of course there's going to be things we don't agree on, probably more so in transport than anything else, then you're going to make the biggest differences for the country in Auckland. Because that's where all the people are, so if you're going to be looking at skills and those sorts of things, if you can make an impact in Auckland then you're going to be affecting the whole country. (Participant Q).

Lastly, even though new governance arrangements are in place, and there is much being done to build the relationship between the capital city and New Zealand's primate city-region, old behaviours evident during the MAP provide some context:

Yes, we mustn't overplay. I can remember turning up at a Metro thing and it was a bunch of senior government officials, who will remain nameless, they didn't see me coming down the stairs as they were going up and one said to the other, oh well, came to Auckland, went to the workshop, ticked the box, off home now. Wellington's got better but there's still that tension and I think over the next few years watching the politics of the new Auckland Council and its political strength play out is going to be really interesting. (Participant R).

Overall, a partnership between Wellington and Auckland in the governance of Auckland has not been achieved. Notwithstanding substantial progress between tiers of government agencies and politicians, and even though the Auckland mayor represents

over a third of New Zealand's population, the functionality and subsidiary nature of the Auckland Council remains the same.

### ***Criticism and Unintended Consequences of MAP***

There were critics and criticism of Greg Clark, the international team, the Metro Report, the Metro Action Plan, Champions for Auckland, and MAP as a whole. These included; that the recommendations were too high-level and in need of a 'Pol Pot style of intervention' (Rudman, 2006, Jul), that there was nothing in it for the workers (Rudman, 2006, Oct) and that MAP was using the concept of governance to advance neoliberal forms of development (Le Heron, 2009).

Le Heron and McDermott (2006) in preparing a paper on increasing productivity in Auckland as part of the evidence base for the International Team, questioned the narrow approach taken to productivity in sectors, preferring to push the team to consider exploration of value chains. This was never considered in the MAP, as the focus soon shifted to city developments in infrastructure and amenity, tourism and events and innovation, and wider debates on leadership, governance, planning and institutional arrangements as primary concerns – the ability to do RED.

Further, Le Heron and McDermott (2008) cast MAP as a political project rather than an economic development one, and a convergence of political factors made it convenient for the Labour-led government to implement some of its policies in Auckland where before they had seen 'Auckland as a problem and Auckland actors as responsible for the problem' (p.3). In addition, MAP lacked connection to economic outcomes and was too focused on city governance and land-based developments. The focus on partnership and

governance was an elitist 'after-neo-liberal' approach that benefitted some actors (business elites) over others:

... the attention given to the political projects as imaginaries involving the pursuit of resources draws directly from theoretical work in New Zealand about neo-liberal governance. This work has identified a distinctive moment around joined-up government and partnerships between the private and public sector, referred to as after-neo-liberalism (Larner and Le Heron, 2004; Larner et al., 2007; Wetzstein, 2007 cited in Le Heron & McDermott 2008, p.2).

These assessments were interesting in that an unintended consequence of MAP was the Royal Commission on Auckland's Governance, even if a likely consequence of the Metro Report may have been governance changes in Auckland. Members of the Champions for Auckland, for example, promoted the idea once the Metro Report had been released, but were still surprised, given historical events, that it came to that:

In my wildest dreams, a Royal Commission on Auckland's governance? [laughter] Not even on my radar. I didn't expect it to be as powerful as it was. It didn't mean I wasn't hopeful. When I look back now, I just think God. You know it was a handful of people, really, a handful of connected people. (Withheld).

Respondents indicated that there were signs that the new Auckland Council had retreated to familiar behaviours not using the governance expertise available to it wisely or fully, with a deep suspicion of CCOs in local government circles, particularly as CCOs were given large budgets:

...I'm not sure about, you know the central/local [Auckland Council/Local Boards] relationship right, I'm not sure we've got those local boards right. There's an awful lot of them and I don't know how effective the relationship is. But we don't hear too many ructions, do we, there's probably a bit more posturing between the CCOs [and the Auckland Council], they've got a bit more testosterone. (Participant D).

In relation to this, the economic development strategy, formed and driven by the Auckland Council, and ATEED programmes of work continuing in previous areas of work and experience, albeit arguably with greater combined impact, did not progress in

functionality. ATEED was bigger but doing the same things; this meant a better partnership with Wellington in the performance and implementation of RED in Auckland had not been achieved with a continued separation between central and local government functions in Auckland. The main difference was that central government departments placed more emphasis and increased their presence in Auckland.

A further concern was that the governance, funding and work programmes of ATEED were not 'jointly owned' by key stakeholders; central government, business, NGOs and academia, it remained a CCO of the Auckland Council. In contrast, the Metro Report recognised and promoted the idea that economic development, in particular, is a regional function where fit-for-purpose governance requires knowledge from the public and private sectors, academia in particular and the NGO sector more generally. There was also criticism that ATEED as a REDA had lost touch with, and was unable to take advantage of, local [sub-regional] economic development efforts, concentrating on familiar programmes in business development:

...it was the people and the structures that were there and their inability to see how you could run a devolved approach and still get the quantum leap in terms of RED. So I would say it wasn't working and I couldn't see it going to work. We wanted the change in local government, that's structural transformation, but it's a bloody tragedy, isn't it, that you have to do huge structural reform to endeavour to get things meshing at both a regional and local level. (Participant S).

A few of the businesses often talk of the good old days - it's not the same, and it probably isn't, because the local has been dumbed down. The quality of the people they've got leading it... nowhere near the credibility that was there before... and that's across the region. (Participant L).

The loss of connection between the regional and local spheres of governance and action was also related more generally to city-centric attitudes and behaviour identified for those territories outside the urban area:

Example: The Big Dig at Orewa has been going for decades, every year. This year it was cancelled because the new bureaucratic system decreed that they needed eighteen public toilets for the people that come to the Big Dig. Each toilet was three hundred bucks or something so the Rotary or was it Lions, Lions I think, cancelled it. (Participant P).

I think there are question marks around its linkage between the centre and the local communities but that can be worked through... (Participant J).

A further unintended consequence of MAP was the perceived loss of institutional knowledge:

... It was bold to get rid of all the chief executives of the Councils and the economic development agencies without really understanding whether those individuals had the ability to move into the new organisation. They just weren't given a chance, and I think the recruitment process should have been open because there were some good people within those chief executives, by definition, they were in those jobs, and when they left a lot of knowledge went with them. That's not to say that there weren't people who weren't capable of changing or moving forward, but to just wipe away all that understanding and all those networks was too bold, in my opinion. (Participant A).

I just sort of wonder how you can get yourself into a position where, while you're doing great stuff and were acknowledged for it, you just go wham into a brick wall!... Now you might say well, in the end, the outcome for Auckland was good, and as an Aucklander I want it to work, I'm involved in it... (Participant J).

One of the intentions of MAP and the Royal Commission was to strengthen regional governance, of which local government is a key institution (putting function before form). The amalgamation of Auckland councils focused on the rationalisation of local government services and the form of local government (form before function); which had, and has, implications for other local governments in New Zealand:

Could you have avoided the political failure that occurred [referring to the 2010 National/Act party's local government reforms]. Could we have done a whole range of things differently? Yes we obviously could have but you're in a circumstance where you are dealing with the personalities of the time, so probably that's the answer ...you know, functional reform, why do we need every council in the country to be a rogue controlling authority. Why aren't we doing it regionally with the NZTA? Why do we have every council as a water and wastewater authority... In Auckland, we've now got one vertically

integrated water and wastewater business dealing with a third of the New Zealand population. Scotland, for example, has got one water and waste-water publicly owned company, for five million people. So, planning, why do we need every council to have its own separate plan? Auckland is now going to have one unitary plan, for goodness sake. The challenge for local government going forward, and it could fundamentally change the basis of local government, is having a lot of its big functions handled in a different way. If not, well they'll all be amalgamated. They don't have to go there; they can do functional reform on their own first. (Participant J).

A further criticism following Rudman (2006), Le Heron and McDermott (2008) and Le Heron and Wetzstein (2010) was the lack of Māori, Pacific Island and community engagement during the project, although these groups were purposively included in AREDF. An inclusive approach to governance was supported in the 'Inclusive Region' recommendation in the Metro Report as the social and cultural context in Auckland was different to other parts of New Zealand:

South Auckland is unintelligible to a Wellington policy person; they cannot understand it. We always struggled to have adequate resourcing whether it was adequate policing, adequate youth workers, adequate schools, being put in place, on time, because they couldn't understand it. We were growing by ten thousand a year... They just don't understand it, can never cope with it, let alone understand a brown demographic. There's an absolute disconnect between a Wellington policy person and Pasifika [for example]. (Participant J).

Thus a final criticism of MAP was that the 'inclusive region' and community investment recommendations were not followed through, adding to the neo-liberal criticism and detracting from an integrated approach:

...there is a sixteenth point which should have been covered, and I say all of these are very good points but there is one thing they missed, as a separate heading, and that was who were the people. Who were the people that you're actually planning for, how is this society made up... how many Chinese, how many Indian, how many South African, all those areas influence the facilities, and the planning should encompass... (Participant P).

## ***Conclusion.***

MAP had a significant impact on Auckland's governance, and planning and RED policy and practice. It also re-framed how Auckland was viewed in economic terms. In five

years Auckland had moved from being perceived as fractious, a basket case in regional development, and a drain on the New Zealand economy to that of a super city and powerhouse of the New Zealand economy. Regardless of the veracity of any of those statements, narratives and perceptions had changed. Behaviours, such partnership and building trust across sectors and in new institutional arrangements, on the other hand, take longer. Any change in subsidiarity for Auckland in New Zealand, or a greater partnership between tiers of government outside of the usual functions of local government, had not eventuated. Any major developments that happened in Auckland still needed Wellington's permission. Significant policy decisions that affected economic development in Auckland were still made in Wellington. What had changed was the democratic and budgetary might that the Auckland Council wielded in negotiation with Wellington, and the combined functional, strategic and operational efficiencies gained through one mayor, one council and one plan (the Auckland Plan) and a smaller number of large CCOs (operational arms arguably with a higher degree of flexibility, critical mass and efficiency).

If MAP was an 'after neo-liberal' experiment in the governance of Auckland it would imply that ideology was a driving force behind the changes in Auckland. Given the triple helix partnership, the civic leadership displayed by many of the business leaders, the desire for improved regional governance, integrated planning, rationalised service provision, and the desire for improved regional economic development governance, policy and practice, were achieved, labelling MAP as an 'after neo-liberal' experiment is too convenient and underestimates the systemic impact of MAP.

## DISCUSSION AND CONCLUSIONS

### Chapter 9. Discussion.

#### *Overview*

First, this chapter provides a discussion on the strengths and weaknesses of the methodologies employed in the thesis and the one discarded; boundary analysis. Second, the outcomes of MAP are discussed in relation to literature on new regionalism and endogenous RED including discussion on partnership, institutions, and implementation. Lastly a summary questions whether MAP conformed to ideal-typical notions of new regionalism and endogenous economic development.

#### *Methodological considerations.*

This investigation used two methodological approaches to explore the Metropolitan Auckland Project; a case study and an impact evaluation. A single-case embedded case study was helpful in exploring the relevance of this project to theoretical issues in regional economic development and governance in a city-region. It also provided rich context, which was seen as a possible weakness in the realistic impact analysis method in high-level multi-faceted political projects by Davis (2005).

#### **Scope and Capacity Limitations**

A combination of case study and RIE was useful in revealing context, processes, mechanisms and outcomes of a project that was iterative and a relatively open system. RIE provided a robust analytical framework but was difficult for one researcher to assess on levels down the hierarchy from high- (overall systemic impact), meso- (various workstreams) and lower-level (projects and outputs) to establish CMO causal loops. The scope was simply too large for one thesis and one researcher. Thus, this



analysis stayed at the high-level delving down to the meso-level actors and processes, which was useful for adding to knowledge on governance and economic development in city-regions, and useful in revealing various mechanisms that influenced high-level outcomes. I can see, however, that a coordinated research effort with a team of researchers would be able to assemble CMO configurations at various levels to gain a greater understanding of the component parts, their interrelationships and their systemic impact.

## **Retrospective Analysis**

The analysis was retrospective limiting the chance to interrogate lower level CMOc's that could have been done before and during the project with forethought. However, as the analysis was retrospective it would have required far more resources than was possible in this thesis (Westhorp, 2014, p.8). Nonetheless, overall judgements were made on context, impact, outcomes and mechanisms using questions and prompts in the questionnaire and emergent nodes in NVivo data analysis. NVivo nodes, therefore, supported the construction of the case study and the RIE framework. As an example, the combined recollection of participants raised the importance of the Symposium on Auckland both as a mechanism and its function in coalescing key leaders from private, government and non-government sectors with a strong collective will for change.

RIE practitioners from a scientific tradition would be interested in further defining mechanisms that changed reasoning and behaviour within participants. For this research describing the structural and institutional arrangement that created social change was more appropriate and able to be achieved in a retrospective way.

The nature of the primary research meant that the enquiry was open to what Ho described as assumptions being made about the context. This was mitigated by secondary data, but it is a limitation in a retrospective case study analysis generally and RIE specifically. However, the CMO probe questions used during interviews provided rich context and were helpful in uncovering “truths” about why, under what circumstances, and in what respects plausible mechanisms could be meaningfully compared to observable social change and outcomes.

## **Boundary Analysis**

As MAP was a political project with amorphous boundaries with various iterations a boundary analysis was performed on the primary data using Ulrich’s Critical Systems Heuristics (CSH). CSH seeks to provide normative and factual judgements on the boundaries of a programme or project using four groups of three questions (12 questions) both in a normative and factual way (24 questions) (Appendix 9). Data was assembled in four sub-nodes; sources of motivation, power, knowledge and legitimation with three child nodes corresponding to Ulrich’s 12 questions (4x3).

Boundary analysis was excluded from the research, because, while retrospective “factual” judgements (what participants believed to be true) provided rich data, normative judgements (what participants believed the project ought to have done) lacked sufficient data and became convoluted. Furthermore, as the data was retrospectively analysed, it was difficult to differentiate factual from normative judgements and there was the danger that participants conflated normative and factual judgements. Boundary analysis, however, conducted in a formative way, has the potential to provide a strong framework for determining scope and clarifying boundaries in otherwise amorphous ‘political’ projects. In this way, stakeholders could make

judgements about the endogeneity of the project, what is within and out of the control of stakeholders, what the scope should be and is, and, therefore, what needs to be reconciled in the objectives of the project and the evaluation. Therefore, a boundary analysis in the formative stages of MAP would have been helpful to establish robust evaluative criteria before and during the project rather than after. It would also have been helpful in identifying shifts in objectives, power relationships, who controls what, who benefits (the 'for whom' question in RIE), and in reconciling normative and factual judgements about the purpose of the project (building a programme theory). A boundary analysis in conjunction with RIE could address some of the boundary issues facing RIE practitioners seeking to provide parameters to programmatic interventions.

## **Realistic Impact Evaluation**

RIE has not been attempted in single-case RED projects of this nature. A second consideration is that the basis of the research was exploratory and explanatory rather than purely evaluative. The retrospective case study evaluation uncovered longitudinal effects and outcomes due to in-depth case study and qualitative participant research that other evaluative methods would have missed.

A problem with the application of RIE in this instance was that a programme theory, working or testable hypotheses were not developed or tested as part of the evaluation. The main reason for this was that there wasn't an agreed programme theory at the outset and I didn't want to predetermine working hypotheses, preferring to let theories or hypotheses emerge out of the case study and the evidence assembled. The nebulous nature of high-level recommendations and objectives and the lack of a programme theory, however, left the CMO interpretation open to subjective validation. Thus care was taken to triangulate with other forms of data before coming to any conclusions

about context, mechanisms and outcomes, and a large amount of time was used in the research exploring structural, institutional and organisational mechanisms to uncover their effect. Causality, therefore, was only warranted as an overall systemic impact and CMOc's were not researched further down the hierarchy. It would not have been valid or robust to try build an overall systemic impact from the ground up due to the lack of resources to do so. However, if a retrospective analysis of this kind were to be attempted validity could be strengthened by a team approach, particularly if boundaries, programme theories or hypotheses have been framed, or are apparent, earlier in the intervention.

What this research did was define the context in which a certain set of mechanisms led to a certain set of outcomes. The logical integrity of the RIE framework, however, also generated a series of testable hypotheses identified in the conclusions.

Nomenclature, particularly the use of the word meso, was difficult to handle in that the intended outcome of this research is to contribute to meso-level (or middle-range) regional economic development theories, whereas in the case study RIE high- and meso-level analyses were used to frame different layers of the project evaluation – systems within a system - and mid-range theories in RIE have a particular slant towards testable hypotheses at a programme level. The difference, therefore, in nomenclature and meaning between different domains of knowledge and theory need to be clear in the narrative and research throughout.

For RED, by virtue of the nature of the topic, middle range theory-building is needed, and a mix of evaluative methodologies, both quantitative and qualitative, geographic and economic, critical and scientific, are needed to gain a greater understanding of RED

governance, policy and practice. The actors in RED have much to offer in these regards and RIE provided a framework for assembling evidence and making warranted assertions about the context in which certain mechanisms led to certain outcomes. A challenge for both RIE and RED from this point will be to test working hypotheses across a series of sites. For example testable hypotheses arising from this research could be that “triple helix partnerships provide a mechanism to foster innovative RED policy and practice” or, further down the hierarchy, that “the four seasons facilitation process fosters rapid consensus in cross-sector collaborations.”

### ***The Metropolitan Auckland Project: an example of New Regionalism and Endogenous Regional Economic Development?***

Auckland was, and is, a large primate city in a small developed nation. National policy for regional development had differing, and sometimes perverse, effects in Auckland compared to other regions in New Zealand. Auckland’s governance and relationship with Wellington, not just in policy terms, was fundamental to the strategy and implementation of RED efforts in Auckland. Centralised policy-making and control of resources caused tensions in Auckland where local government had never enjoyed the degree of subsidiarity found in other OECD countries.

The regional government, prior to amalgamation had limited but cross-cutting functions and powers that often put them at odds with local government authorities on development issues. The regional government controlled major assets, such as the Ports of Auckland, and made important growth and spatial planning decisions that were important to economic development. Before 2002 the regional government was specifically excluded, in law and in practice, from being involved in economic

development. In that context, TLAs funded EDAs to work in their defined geopolitical areas. EDAs, however, attempted to collaborate across territories and on a regional level, knowing that their local economies were part of a wider functional region.

The Labour-led regional development policies (1999-2008) gained traction in regions outside the major cities. The policies had clear new regionalist and endogenous development underpinnings supporting regional partnerships for strategy development and Major Regional Initiatives. Auckland, however, required something more tailored to its context. The MRIs that had been developed, emanating from local EDAs, were industry-sector focussed and lacked the scale, scope and strategic thinking required for a primate city-region, and lacked attention to the [potential] contribution of Auckland to the national economy. The policies supporting MRIs also constrained what was possible in Auckland, lacking scale. As a result questions raised about the appropriateness of central government's RED policies for Auckland provided context for notions of agglomeration, innovation systems and the relationships between culture, art, creativity, learning, research and innovation to be explored. International literature, policy and practice in OECD countries prompted debate in Auckland and central government circles about RED in a city-region.

Government RED Policy also lacked regional support when not connected to local EDAs and gained traction when led by local EDAs, even though they were modest in Auckland terms. The AREDS process and the AREDS Office had the unintended outcome of identifying major underlying problems within Auckland to tackle regionally significant economic development issues. Aside from local EDA attempts to work together on a regional basis in Auckland (through AREDA) most policy and expenditure decisions that had a significant bearing on the economy in Auckland were

made in Wellington. Central government also had to balance the need for large-scale investment in Auckland against the political acceptability of any such investments to the rest of New Zealand.

International evidence of other cities implementing endogenous RED policies aimed at strengthening regional institutions in city-regions that enabled private sector investment, innovation and economic development, suggested that a more nuanced and strategic approach to Auckland's economic development efforts were needed; one that matched the spatial-economic factors. As a more strategic approach to regional economic development in Auckland seemed logical, wider questions of governance and implementation capacity (organisational factors) were also posed. An approach that demanded more horizontal and vertical integration and subsidiarity was suggested in the Metro Report and by a number of non-government agencies and institutions.

MAP, thus, became a catalyst for change. Timing and context were conducive, but an international review combined with local research intelligence and engagement contributed to the impact of the Metro Report. The integrated nature of the recommendations was compelling and appropriate for the time. Stakeholder intentions and expectations born out of previous experiences combined with a tripartite partnership provided the basis for debate and resilience against sectional interests and alternative agendas.

There is more to be explored in coalescing knowledge and expertise to govern cities and regions. The world is changing, wider drivers of change such as globalisation and urbanisation are placing pressure on administrations to govern in new ways, to find new ways of building evidence, new ways of capturing knowledge and learning, and new

ways of utilising local knowledge for governance and economic development. MAP provided a catalyst for these issues to be considered and addressed in Auckland.

## **Innovation**

Innovation is seen as a key factor in [endogenous] RED literature, policy and practice. At the beginning of MAP innovation and a focus on RISs were missing from regional strategies and RED practice. The Metro Report was a catalyst for increased attention on innovation for RED in Auckland alongside a focus on connectivity within Auckland as a city-region. There was strong evidence that the report seeded efforts and created momentum for Auckland's Innovation Hub, Food Innovation Centre and subsequent focus on innovation in Auckland's RED plans and strategies.

Innovation policy and practice in Auckland is largely framed in terms of vertical understandings of sectors and clusters and their interconnection with knowledge assets and has not moved to horizontal platforms for innovation. However a clear understanding is evident in policy and practice in Auckland (ATEED, 2014) of the importance of moving from a static approach based on innovation assets, structures or institutions (an institutional RIS - IRIS), such as universities research institutes, technology parks or innovation hubs, to endeavouring to manage information flows between knowledge exploration and exploitation through entrepreneurship (an entrepreneurial RIS - ERIS).

In relation to regional innovation literature it would be unfair and somewhat anachronistic to compare MAP outcomes to more recent and advanced views of RISs. For example Cooke's (2014, p. 458) third phase typology, moving beyond IRIS and ERIS, where regional innovation is described as 'an evolutionary process typical of



complex adaptive systems’ and where ‘related variety’ endeavours to uncover, explore and exploit the ‘spaces’ between technologies, sectors or clusters. In this respect, where ‘endogenous innovation policy with the regional agency in a more catalytic role is now expected to replace the backstop functions of old’ (Cooke, 2014, p. 465), Auckland is severely challenged by vertical governance, institutional and policy arrangements.

In summary innovation is embedded in RED strategy, policy and practice in Auckland and in these respects MAP was a successful catalyst. The triple helix partnership arrangement in MAP is often cited as a mechanism for increasing innovation in regions, unfortunately there was not clear evidence of the triple helix partnership supporting innovation in MAP, however there is evidence of this thinking permeating the governance of economic development (and ergo innovation plans) within Auckland post MAP, but little sign of horizontal integration across government agencies, sectors or clusters.

## **Partnership**

High social capital indicates high levels of trust which enables the sharing of information most vitally needed to promote innovation and RED. Institutional thickness is the outward manifestation of moving to formalise knowledge-producing and knowledge-sharing arrangements which underpin innovation and economic growth. The triple helix partnership was instrumental in building trust, effective in assembling evidence, effective in stakeholder engagement, effective in launching and communicating the Metro Report and effective in creating momentum around implementing the Metro Report recommendations. Collaborative behaviours, conflict moderation, leadership and networking were evident, and, as a result, the Metro Partnership provided a platform for the long-term changes to the governance of Auckland. The partnership did not persist once a the regional government took over the

action planning and implementation process which caused other stakeholders to advocate for outcomes that they considered more important through an informal arrangement called the Champions for Auckland, supported by CfA. These business leadership groups were criticised as elitist and leadership focused, however this was not evident in the triple helix partnership where interdependency created resilience and forced agreed high-level messaging and objectives. However, the public and private sectors, even though there was good cross-fertilisation and collaboration in the triple helix partnership, focused on different outcomes when key recommendations in the Metro Report were not reflected in the Metro Action Plan. In other words the partnership did not persist through to implementation with different agendas revealing themselves.

## **Institutions**

MAP meso-level analysis revealed that key institutions played significant roles in influencing outcomes and mediating what was possible after the delivery of the Metro Report. Different agendas were revealed through subsequent groupings and actions. Timing and momentum were important in combination with the right context, however, institutional influences were significant in taking advantage of context and timing, picking up and retaining momentum, and driving communications.

GUEDO played a key role in translating views between Auckland and Wellington and between central government and Auckland's private sector leaders. The university played key roles in bridging the public and private sectors and acting as honest brokers in discussions and negotiations. They also played a key role in bringing academic rigour and international expertise to the project. CfA provided civic leadership throughout the project. They also maintained momentum and influenced high level outcomes for the

governance of Auckland. The ARC and Auckland Plus were critical in funding the project and maintaining momentum in the Metro Action Plan. Their efforts were somewhat undermined by the continued governance debates, however they were also, in partnership with other TLAs, fundamental in creating the platform for the Auckland Spatial Plan which became the Auckland Plan.

In summary, institutions have a significant influence on the outcomes of RED projects, and they have a tendency to try to influence outcomes in their favour. This is a challenge for cross-sector collaboration required for RED, which, nonetheless must be attempted for improved outcomes.

## **Implementation**

The Metro Action Plan was criticised as nebulous and reductionist and not ‘an integrated action plan for a small number of large-scale interventions that command[ed] wide support... delivered in a participative manner.’ (Clark et al., 2006). Nonetheless, the Metro Action Plan process did achieve significant outcomes under objective three ‘transforming Auckland into a world-class destination’ and there was evidence of contribution to a number of other outcomes such as increasing Auckland’s innovation capacity.

Thus, the public sector stakeholders set about working on economic development initiatives that were within their control and that they were familiar with, and the private sector stakeholders worked on influencing high-level governance, planning and institutional arrangements at a political and regional level (organisational factors). In these respects, even though the formal action plan was only moderately successful the systemic effect of MAP was far reaching.

## *Summary*

When MAP is analysed in light of a growing body of international literature on new regionalism and endogenous regional economic development, it supports conclusions in the literature that the development of multidisciplinary approaches to theory building and evaluation are needed. Endogenous regional economic development literature questions orthodox macroeconomic approaches to economic development in city-regions recognising differing contexts, resources, strengths, capabilities and assets; and recognising important human, institutional, evolutionary and territorial factors.

This reveals a meso-level of economic analysis and action bridging micro- and macroeconomic theories and taking a more multi-disciplinary approach to addressing territorial dynamics. Likewise territorial institutions, while in many instances tied to political institutions, need to take more cognisance of the economic geography of their territory endeavouring to orchestrate political, institutional and economic agencies to work within and for a functional economic region. Cross-sector collaboration and partnerships are, thus, important to the success of RED.

Microeconomic theories, concentrating on the firm, also fail to adequately address regional factors. An endogenous RED approach has the potential to better understand the factors and conditions that give rise to regional economic development. The orchestration of new institutions to take advantage of endogenous resources is just as important as, for example, finance, and infrastructure. Likewise horizontal and vertical integration with the appropriate degree of subsidiarity are important to focus limited resources in the right areas.

At the regional level endogenous factors can be more easily influenced unlike many exogenous factors. Even using comparative advantage as a basis for regional

development is limiting as the calculation involves factors largely outside of the control of regions. This does not mean that regions can ignore these contextual economic factors, rather efforts should be made to influence how contextual factors play out at the regional level.

Wallis (2002) provided a useful framework for identifying new regionalism; essentially contributing to a 'change in focus from a system of hierarchy which seeks to dominate production and distribution to network-based systems that accommodate different tasks and exhibit flexibility.' As a benchmark for Auckland the changes to political governance through the amalgamation of seven territorial authorities, one regional council, and over twenty CCOs to one unitary council with twenty-one local boards and seven CCOs, has enabled scale but not different tasks. Whether Auckland's governance has moved away from a system of hierarchy and exhibits flexibility can also be questioned. Scale factors have influenced negotiations with higher tiers of government but there was little evidence of increased functionality, further flexibility, innovative governance arrangements or integration for addressing significant regional issues.

Using RED as an example, the main difference in the new institution ATEED from previous local EDAs was the combination of tourism and events functions with economic development. However, these were all previous local government functions. There was no perceptible difference in ATEEDs relationship with the Auckland Council regarding how policy and strategy were formed or how implementation was carried out. There was some evidence of a stronger relationship with higher tiers of government in strategy and policy discussions but no evidence of a more integrated approach to RED implementation. There was no evidence of better horizontal integration with other concerned parties at a regional level and some evidence of a loss of connection with

local economic development efforts. What has been achieved is a focus on innovation, a stronger negotiating position with higher tiers of government through amalgamation and a larger organisation and budget. Therefore, the desire of MAP stakeholders and the International Team for a jointly owned Auckland REDA to address significant regional economic issues, with horizontal and vertical integration, has not been fully achieved. RED policy and practice have largely remained driven by similar institutional mandates.

A wide body of literature supports the notion that innovative capacity and the competitiveness of cities provides a basis for national competitiveness. The governance of a city-region therefore, with influence over public sector investment, economic development strategies, and private investment incentives becomes an important component in national economic development goals. A city-region's relationship with higher tiers of government and its international networks, and the ability to create strong forms of regional governance, are, therefore, crucial to developing a sustainable and robust economy in the long run.

One of Otgaar (2008) et al.'s fears was that supporting new forms of metropolitan governance might simply set up another layer of government and more bureaucracy when 'new regionalism' calls for 'models of metropolitan *governance* rather than metropolitan *government*' (p. 3). Thus, metropolitan areas should be able to create governance structures that are not 'tied to a single, dominant unit of metropolitan government' (p. 4). This may also turn out to be an uncomfortable realisation for Auckland stakeholders in the long-run if new institutional arrangements do not coincide with new governance behaviours.

Auckland's recent history has seen a deliberate move towards unifying and streamlining local government through amalgamation. However, improved regional governance, in an economic development sense, at least, is still sub-optimal in that RED efforts in Auckland, are primarily driven by local government strategy and central government policy incentives. A lack of subsidiarity and strategic integration between layers of government, and the lack of a strong partnership with business and academia both in the development of strategy and in its implementation, tailored to the specific circumstances of Auckland, have resulted in continued disaggregated and disconnected efforts, despite amalgamation. Therefore the ideals of new regionalism have not been attained and endogenous RED efforts are constrained by a lack of subsidiarity.

## **Chapter 10. Conclusion**

### ***Overview.***

Chapter ten provides a conclusion to the thesis on governance, planning, policy and practice for economic development in city-regions. It also provides a summary of seven factors for city-regions to consider when embarking on similar processes to improve governance and economic development in their regions. It finishes with a summary of the thesis and recommendations for further research.

### ***Governance for economic development in city-regions***

For city-regions like Auckland, an integrated approach requires increased governance and operational scope and capacity at the regional level. It requires a working relationship with, and commitment from, the private sector to support the long-term objectives and the implementation of regional economic development initiatives. It also requires engagement with academia and NGOs to ensure sustainable outcomes.

Higher tiers of government need to provide a degree of subsidiarity that recognises that the success of a primate or large city-region is in national interests. This is an uncomfortable realisation for central, regional or local governments that undertake institutional changes but fail to provide the scope and flexibility of regional governance, institutional and operational arrangements necessary for the task. Vertical integration needs to be considered between tiers of government, and horizontal integration needs to be considered across stakeholders and sectors.

City-regions are at the nexus between higher and lower tiers of government confronted with the macro forces of globalisation, urbanisation and economic integration, and global challenges such as climate change. Essentially globalism and regionalism are part



of the same economic transformation process as functional regional economies provide the scale and scope for economic development and the ability to coalesce resources to address challenges that globalisation presents. To address these challenges, and to increase the wealth and well-being of citizens, requires taking advantage of endogenous regional factors such as leadership, knowledge, culture, creativity, innovation and entrepreneurship that can create competitive advantages alongside more traditional economic factors of production. But it also requires the mechanisms and institutional arrangements to realise endogenous potential and to negotiate with higher tiers of government, national and international, other regions, and economic actors.

As city-regions are increasingly viewed as competitive assets, or liabilities, on a world stage, by central governments, how they orchestrate organisational and endogenous factors are crucial for long-run competitiveness. The governance of city-regions, therefore, should not be tied to a hierarchical system of government, or a single dominant unit of metropolitan government that rigidly dominates economic policy and practice. The complexity surrounding the development of city-regions requires new forms of innovative governance and operational arrangements, drawing on expertise from appropriate quarters, and building coalitions and governance arrangements that can address complex development issues and exhibit flexibility in addressing new challenges.

### ***Policy for economic development in city-regions***

In a city-regional context global macro trends and forces are pervasive, there are many variables, contingencies and pathways to development and the factors that drive regional development are context-specific and path-dependent, whereas economic policies implemented at a national level are often homogenous; lacking specificity and

reflexivity. Innovation policy requires a break from path-dependency at both regional and national levels. RED policy, therefore, requires reflexivity and flexibility, and requires a degree of adaptation to local circumstances. Without a degree of subsidiarity this is unlikely.

Policy, and law, for the amalgamation of Auckland local and regional government in 2010 was developed specifically for the Auckland city-region; indicating that the partnerships formed and the processes that followed had a significant impact on outcomes. There was a recognition that Auckland was different from other regions in New Zealand. There was also increased focus on policy development for city-regions as distinct from rural regions. Regional policy, however, was still decided in relative isolation in Wellington. On one hand the establishment of the Government Urban Economic Development Office (more latterly the Auckland Policy Office) in Auckland provided an important feedback mechanism and conduit in the ongoing development of regional policy. On the other hand, the final decision on regional policy still rested with the capital and the implementation of RED policy was still somewhat separated and institutionalised with large central government organisations operating alongside regional CCOs, with different mandates and performance measures, in Auckland. This made an integrated and flexible approach difficult.

A primate city-region that is not the capital needs to be able to address national policy settings that have differing effects across regions. This may mean compromise on some policies, but it could also mean working with higher tiers of government to resolve specific regional contextual factors that may be good for the region and not good for other regions, or good for the region but detrimental to the country as a whole. Different governance and policy-making arrangements would be required to achieve this kind of

result. Political leaders in a city-region need to be able to articulate what the region can offer the rest of the country in return for special treatment. In policy terms, working with national governments to build specificity and reflexivity into the policy-making process is the best long-term outcome. To do this may require central government having a presence in the region attempting to provide an integrated central government approach, and the region negotiating with central government in a cohesive way and a clear articulation of the scenario for development and the benefits to the country.

### ***Planning for economic development in city-regions***

A clear articulation of the scenario for development requires an integrated plan. In Auckland this moved from the recommendation for one plan in the Metro Report to the notion of a spatial plan in policy and law, to the Auckland Plan under a single metropolitan government. The Auckland Council, however, does not have the resources or the decision-making ability (subsidiarity) to fully implement the plan. To implement the Auckland Plan requires partnerships or coalitions with central government, business and the third sector and a degree of subsidiarity that it currently does not have. This would require a more thoughtful and sophisticated approach than was or is evident.

The public sector is adept at writing and re-writing plans and strategies. The implementation of plans and strategies should not be considered a separate or subordinate function to strategy, the two go together in an emergent, adaptive, iterative and reflexive way. This is almost heresy in a government environment where risk and certainty are paramount, and this is why private sector engagement is needed, and why innovative governance and operational arrangements are needed; to reduce risk exposure on the one hand, and create momentum on the other. Planning for economic development in a city-region, where these kinds of arrangements are nascent, may

require focus on a small number of significant projects that require cross-sector collaboration, to build confidence and mechanisms for collaboration. In regions where this kind of collaboration is apparent, evaluation of the long-run effects of RED projects is important to provide a feedback mechanism for the on-going development of policy and practice.

### ***Economic Development Practice in City-Regions***

Pragmatism starts from a point of observation of the real world seeking to induce theory from that observation, but also seeking to improve practice. Traditional macroeconomic theories and models are inadequate for understanding the endogenous human, institutional, territorial and economic factors that influence regional development. Therefore, economic development in city-regions requires the synthesis of territorial and economic dynamics. This in turn requires a multidisciplinary approach to the development of theory and practice, primarily, but not limited to, the disciplines of geography and economics at a regional (meso) level. Endogenous factors are important as they can be affected directly and have a marked effect on the outcomes of development, but only in the context of exogenous factors that may be affected indirectly, taken advantage of, ameliorated or redirected to align with regional aspirations.

### ***Creating a Step-Change in the Governance and Economic Development of a City-Region***

If there is a need to create a process that attempts to align governance arrangements with the economic geography of a region, seven factors might be considered. With

reference to the learning gained from MAP the three research questions are answered in order.

- i. Is it possible to design an intervention to act as a catalyst for a step-change in the economic development of a city-region?

The case of MAP has demonstrated that it is possible to design high-level interventions to enhance the economic development and governance of city-regions. This, however, takes careful consideration of the context for development, the partnerships formed, the institutions involved or created, the expertise required, the buy-in to be gained and the mechanisms employed.

- ii. What roles do governance, institutions, partnerships and leaders play in achieving a step-change in the economic development of a city-region?

The role of governance has been comprehensively covered in the thesis leading to the conclusion that the right governance arrangements are fundamental to economic development in city-regions. Institutions, partners and leaders all play significant roles in mediating what is possible both in governance and economic development practice. Without cooperation and trust-building processes outcomes are likely to be dominated by sectional interests and short-lived. In this respect the triple helix partnership was shown to be a robust mechanism, but in the case of Auckland did not continue throughout implementation phases. Public/private partnership behaviours did continue, to a certain degree, in some economic development initiatives, however bureaucratic behaviour in a new metropolitan government showed signs of old institutional behaviours. This leads to the conclusion that partnership formation and trust-building processes are critical to the success of any metropolitan project of this nature. Civic leaders are also very important, both public and private, as they can provide consistency

in messaging around what is in the public interest, build trust, raise the sights and support stakeholders to work through uncomfortable coalition building processes.

- iii. What factors influence a step-change and create long-run impacts in the economic development of a city-region?

Seven factors can support a step-change in the governance and economic development of a city-region. These are: *a relevant partnership, clear narratives with supporting evidence, objectivity, working with higher tiers of government, fit-for-purpose governance and institutional arrangements, emergent and reflexive strategy and action, and gaining permission*. These are expanded below:

- 1) *A relevant partnership* is formed that bridges tiers of government and crosses academic, NGO and business sectors (horizontal integration), in effect demonstrating a model of metropolitan governance. An institutional approach to membership was used broadly representative of those sectors in MAP. Trying to pick representative individuals, I believe, would have been fraught and easily side-lined and, as demonstrated in this research; leaders emerged from those institutions and joined the cause once they were convinced of the logic. The triple helix model is useful for framing such a partnership if the business leadership grouping has a civic rather than strictly business mandate. Thus it may include, for example, civic leaders from other sectors such as NGOs. The academic contribution needs to be that of a trusted mediator and bridge-builder able to move freely between sectors and parties with integrity. Government partners need to be open to exploring innovative institutional and governance arrangements that may include increased subsidiarity. All partners need to consider how the interests of groups outside of formal government structures, such as indigenous or migrant groups, can be included in processes from the

outset. Finally the core partnership formed needs to be committed and able to bring resources and expertise to the task. In the case of MAP the regional partnership was the core partnership and central government joined once the project had been framed by regional stakeholders. It was also not as successful as it should have been in including indigenous and minority groups in the development of the project.

- 2) Defining and articulating *clear narratives with a strong evidence-base* by clarifying the context, problems and opportunities for development. These should be well researched and synthesised into clear statement/s of the context and problems that need to be addressed and opportunities available. All partners should ensure breadth and depth in assembling evidence to avoid narrow interpretations of the problem/s. Academic, government and business partners should all contribute to the research effort, reaching out to relevant expertise and providing rigour to the assembly of an evidence base. In the case of MAP evidence gathering exposed many gaps and, therefore, the synthesis of evidence to provide clear narratives was not as good as it could have been. Nonetheless, it was compelling enough, and many research gaps were addressed during the course of the project and identified for further work. Other city-regions might consider whether their evidence-base is robust at the outset, however certainty is unlikely.
- 3) *Objectivity*. An objective eye needs to be cast over the context (evidence) and problem definition particularly to provide a global or comparative context. In MAP this was an international review team with an appropriate local academic. This was key to the success of MAP and should be considered before entertaining a high-level intervention of this nature. Adding a global context helps to avoid a bounded rationality in problem and opportunity definition and

ameliorates sectional interests. The team also needs to have the expertise and referent power appropriate for the task, preferably with expertise that matches the issues the city-region is facing. Two qualifications to an external review are, therefore, deemed important:

- a. Preparedness: the international team assembled for MAP provided an independent external review and report that was grounded in Auckland's reality through an intensive evidence-building and synthesising process.
  - b. Expertise: the team was assembled according to the expertise required to match the problem definition and domains of expertise required; it included a local academic with domain expertise who was able to translate idiosyncratic and colloquial nuances and help to navigate evidence and stakeholder engagement.
- 4) *Working with higher tiers of government* is critical. New, and possibly innovative, forms of governance and institutional arrangements may be necessary. Allowing central government freedom to say "no" is important, as there are wider national considerations, but agreement on a small number of high-level interventions is crucial to have sustained progress and avoid short-term thinking. Collaboration on policy development is a good way to start, but an intermediary policy office that can translate between tiers of government and between government and business is helpful. Therefore,
- 5) *Fit-for-purpose governance and institutional arrangements* may be required that:
- a. Bridge tiers of government for policy and strategy development. As governments change, there is the need to build long-term strategies backed by credible evidence assembled over time. These types of institutions need to also address gaps in information and provide a



reflexive approach to policy development using the resources and knowledge within the region matched with national and international knowledge and experience.

- b. Address the governance and operation of economic development that takes advantage of wider pools of knowledge and expertise and is appropriate for the economic geography of the region. When addressing a large city-region thought also needs to be put into integrating local economic development functions.

6) *Emergent and reflexive strategy and action.* The world is littered with well-written public sector economic development strategies that are waiting to be successfully implemented. For a city-region, looking to increase international competitiveness and support endogenous RED efforts, strategy needs to be set in international, national and regional contexts which require different tiers of government policy makers to work together. It also requires private sector engagement and support to achieve synergies in city-regional economic development and propel implementation. Academic input can provide international and contemporary theory and expertise to question and ensure relevance. NGO input can provide connection to communities and environmental and social realities that can be especially important in the formation of education and skills initiatives, but also in the promotion of creativity, increased amenity and attractiveness, social inclusiveness and connectedness. Policy-strategy-implementation, therefore, should not be a linear process, it is a reflexive and iterative process. Implementation should inform ongoing policy and strategy development and vice versa. The movement from, or between, high-level strategy and action needs to be handled with care; if possible through a partnership approach to strategy and implementation.

Feedback loops should be incorporated into institutional arrangements to allow learning from all parts of the process. Picking up projects that are underway is important for momentum, but a small number of large projects can build confidence in working across sectors and in partnership.

- 7) *Gaining permission* from stakeholders and the populace is not easy but must be done. Once the problems and opportunities have been identified, it is tempting to move straight to solutions, and slogans about solutions. Stakeholder engagement is, however, crucial in building a common agenda. The interaction with international expertise allowed stakeholders to test their assumptions and beliefs in a safe environment. Particularly if they did not agree with the evidence assembled or the expert opinions being offered. It also offered the opportunity for the international team to test their assumptions before delivering advice. To achieve lasting change the populace must be brought along on the journey through open and informed debate at every step of the process. The triple helix partnership approach is particularly helpful in this regard as partners not normally found working together provide a platform for debate, and it is powerful when they agree on a common issue, providing referent and positional power. Strong relationships with the media help to inform, and therefore, public relations advice is helpful, and trusting that citizens can see both sides of an argument and make assessments for themselves is also critical to lasting change. Communication throughout the process is important as people are busy, and, if the evidence points to shortcomings and opportunities these need to be communicated to partners and stakeholders as well as the public. Having independent expert views is helpful, as is having experts skilled in communication. So, however, is private sector civic leadership that endorses strategy or change and commits to implementation as these can be powerful

messages to the public and politicians alike. The journey needs to be communicated, building from one step to another, to provide the substance and perception of progress. Employing any international expertise or consultants should come, therefore, with a commitment to return and engage in the development of next steps, building on previous steps and new information. The evidence is important, threads are important, civic leaders are important and the narrative is important

### ***Summary***

This thesis has looked at governance, policy and planning for economic development in a city-region. The case of the Metropolitan Auckland Project proved that it is possible to create a catalyst for change in the way a city-region addresses economic development. The Metropolitan Auckland Project also highlighted that addressing economic development in a city-region may require wider governance changes if significant economic development issues cannot be addressed at the regional level. In other words, economic development may provide the impetus for change as it addresses the wider challenges of globalisation, economic integration and urbanisation, but in doing so may also highlight the region's inadequacy in dealing with those challenges and in the structure of the regional economy.

Regional economic development, however, is not necessarily the same as many other government functions in that both the public and private sectors play significant roles. It is, therefore, at the forefront of trying to align public and private sector goals and creating the mechanisms to achieve that. At a national level macroeconomic constructs are the stock in trade for developing policy. At a regional level meso-economic constructs need to be considered with other disciplines and factors. City-regions,

therefore, in an increasingly globalised and urbanised world, are important to the national economy as they provide a sufficiently coherent economy, with sufficient critical mass, to compete on an international basis. But city-regions are not firms, they have competing democratic demands and economic development must be in the public interest, otherwise it is just economics. Achieving a balance between the public interest and profit requires agreement and cross-sector collaboration, and for regional economic development endogenous factors are critical to that success. To take advantage of endogenous factors a degree of subsidiarity is needed to empower local actors. If differentiated regions are the basis for national economic development, then how and why they develop must be researched further.

### ***Further Research.***

During the course of this thesis important further research became apparent. First, more in-depth case studies are needed to uncover the territorial dynamics or endogenous factors that underpin regional economic development. Synthesising geographic (social constructionist) and economic (positivist) constructs in a multidisciplinary way needs more work, but this holds the way forward.

Further research into the long-run impacts of regional economic development initiatives also needs to be done to ensure what many know on an instinctive or anecdotal level is actually true. A mix of evaluative models needs to be employed, both qualitative and quantitative, in a pragmatic approach to add to the theory and practice of regional economic development. RIE provided a useful framework and heuristic for assembling evidence and assessing impact in a high level political project. It could also, however, provide a framework for assembling wider forms of evidence, for example both qualitative and quantitative, and in exploring layers and system effects up and down a hierarchy of evaluation. In this way, what worked, why, in what respects, for whom and

in what context can be explored in a field where the boundaries are not always clear or constant. A qualification is that programme theories and testable hypotheses developed in a formative way are important if programmatic effects are to be explored across a number of sites or contexts.

Related to this, further research would be helpful using Ulrich's Critical Systems Heuristics to uncover the boundaries of RED projects in the formative stages. If agreement on the goals and scope of a project are made clear to all stakeholders in the formative stages, judgements can then be made about scope and, more importantly, normative judgements can be explicit at the outset. Then, at least, process and outcome evaluations can acknowledge when actions or iterations diverge from normative judgements, and it is clearer to those involved whether actions are moving towards, or away from, intended outcomes or a desired state.

Finally, the outcomes of the governance changes in Auckland need to be evaluated on a number of levels as the intent was improved metropolitan governance and RED policy and practice. First, new governance structures need to be evaluated against the degree of subsidiarity achieved. Second, have new regional institutions caused a loss in local connectedness and an integrated approach to RED. Third, have new institutional structures contributed to Auckland providing a greater contribution to the national economy, in particular, in higher-value exports, innovation, research and development. Lastly are the new governance structures inclusive of wider knowledge and expertise and have they achieved greater partnerships with central government and business.

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## **Appendix 1 The Metropolitan Auckland Project: Implications for Regional Economic Development and Metropolitan Governance, Interview Sheet.**

1. Can you please tell me about your involvement with the Metro Project?
2. What do you think the intentions of the project were?
3. What were your expectations for the Metro Project?
4. Were any of your expectations realised?
  - a. If Yes, what were they?
  - b. If No, why do you think that was?
5. Looking at the Metro Project as a whole, do you think it improved regional economic development policy and practice in Auckland?

Yes	No
-----	----

If Yes:

- a. Why do you think it improved regional economic development in Auckland?
- b. In what respects do you think it improved regional economic development in Auckland?
- c. What do you think the circumstances were that gave rise to the Metro Project improving regional economic development in Auckland?
- d. What do you think the outcomes of the Metro Project have been for regional economic development in Auckland?

If No:

- e. Why do you think it did not improve regional economic development in Auckland?
- f. In what respects do you think it failed?
- g. What do you think the circumstances were that caused it to fail?
- h. What do you think have been the outcomes of this failure?

6. Looking at the Metro Project as a whole, do you think it helped to improve Metropolitan Governance in Auckland?

Yes	No
-----	----

If Yes:

- a. Why do you think it helped to improve Governance in Auckland?
- b. In what respects do you think it improved Governance in Auckland?
- c. What do you think the circumstances were that gave rise to the Metro Project improving Governance in Auckland?
- d. What Governance outcomes do you think the Metro Project contributed to?

If No:

- e. Why do you think it did not improve Governance in Auckland?
- f. In what respects do you think it failed?



- g. What do you think the circumstances were that caused it to fail in improving metropolitan governance in Auckland?
- h. What do you think have been the outcomes of this failure?

*The Metro Project started as a partnership between the Auckland Regional Council (ARC), The Committee for Auckland and The Institute of Public Policy (AUT) seeking to build partnerships in order to implement AREDS (The Auckland Regional Economic Development Strategy). NZTE (New Zealand Trade and Enterprise) joined the partnership once the project was agreed upon in Auckland.*

7. Do you think this partnership was successful in initiating processes for change in Auckland?

Yes	No
-----	----

If Yes:

- a. Why do you think the partnership was successful?
- b. In what respects do you think it was successful?
- c. What do you think the circumstances were that gave rise to this success?
- d. What do you think the key outcomes of that partnership have been?

If No:

- e. Why do you think it failed?
- f. In what respects do you think it failed?
- g. What do you think the circumstances were that gave rise this failure?
- h. What do you think the outcomes of this failure have been?

*A key component of the Metro Project was the review of Auckland's economic development policy and practice by an international team led by Greg Clark, chair of the Forum on Cities and Regions in the OECD.*

8. Looking at the 15 recommendations in the International team's report, do you think they were appropriate for Auckland at the time? Please rate them on a scale of 1 - 5

1	2	3	4	5
None	Some	About 1/2	Most	All

1. Being Not appropriate for Auckland at the time at all.
2. Some recommendations were appropriate but most missed the mark
3. They got it about half right
4. Most recommendations were appropriate
5. They were highly relevant and appropriate to Auckland at the time

9. Looking at the 15 recommendations in the International team's report; overall do you think those recommendations were reflected in the subsequent Metro Project Action Plan?

Yes	No
-----	----

If No:



- a. What do you think was missing?
- b. Why do you think that was missing?

*The Auckland Regional Economic Development Forum (AREDF) was a standing committee of the Auckland Regional Council; a governing body responsible for the Metro Project Action Plan. 'Auckland Plus' was the regional development agency responsible for the implementation of the Metro Project Action Plan*

10. Do you think the Metro Project Action Plan was implemented well?

Yes	No
-----	----

If Yes:

- a. Why do you think the Metro Project Action Plan was implemented well?
- b. In what respects do you think it was implemented well?
- c. What do you think the circumstances were that gave rise to The Metro Project Action Plan being implemented well?
- d. What do you think have been the key outcomes of the Metro Project Action Plan?

If No:

- e. Why do you think it was not implemented well?
- f. In what respects do you think it failed?
- g. What do you think the circumstances were that gave rise this failure?
- h. What do you think the outcomes of this failure have been?

11. Looking at the **components** (work-streams) of the Metro Project Action Plan which, if any, in your estimation **worked particularly well**?

- a. What do you think the context was that gave rise to this component working well?
- b. In what respects do you think it worked well?
- c. What do you think the outcomes of this success have been?
- d. What can we learn from this success?

12. Looking at the **components** (work-streams) of the Metro Project which, if any, in your estimation **did not work well**?

- a. What circumstances do you think gave rise to this component not working well?
- b. In what respects do you think it did not work?
- c. What do you think the outcomes of this failure have been?
- d. What can we learn from this failure?

*The Government Urban and Economic Development Office (GUEDO), more latterly the Auckland Policy Office (APO), acted as a conduit between Auckland and "Wellington" (Central government) during the Metro Project. It also supported the Metro project with research and policy support.*

13. Do you think **GUEDO** supported the implementation of the Metro Project Action Plan by building a better partnership between Auckland and Wellington?

Yes	No
-----	----

If Yes:

- a. Why do you think GUEDO was able to build a better partnership between Auckland and Wellington?
- b. In what respects do you think it was able to build a better partnership?
- c. What circumstances do you think gave rise to GUEDO building a better partnership?
- d. What do you think have been the outcomes of this work?

If No:

- e. Why do you think GUEDO was not able to build a better partnership between Auckland and Wellington?
- f. In what respects do you think it was unable to build a better partnership?
- g. What circumstances do you think gave rise to GUEDO not building a better partnership?
- h. What do you think have been the outcomes of this?

14. Were there any other aspects of the Metro Project that you think worked well and we should consider for the future?

- a. If so what can we learn from this feature of the Metro Project?

15. What do you think we could learn from the Metro Project in terms of Regional Economic Development?

16. What do you think we could learn from the Metro Project in terms of Metropolitan Governance?

17. Is there anything else we could learn from the Metro Project?

*THANK YOU FOR YOUR TIME AND AGREEING TO PARTICIPATE IN THIS RESEARCH*

## Appendix 2 Participant Schedule

Participant	Position/ Roles	Status	Transcribed	Edited	Reviewed	Coded NVivo
Peter Winder	CEO ARC,	Done	Yes	Yes	Yes	Yes
Lesley Baddon	Manager Strategy and Policy ARC, Metro Project lead	Done	Yes	Yes	Yes	Yes
Carole Canler	ARC Metro Project team	Done	Yes	Yes	Yes	Yes
Michael Barnett	ARC Councillor, Chair AREDF, CEO Auckland Chamber of Commerce	Done	Yes	Yes	Yes	Yes
Sir Ron Carter	Chair Committee for Auckland, leader in Metro Project, Chair BECA	Done	Yes	Yes	Yes	Yes
Kaaren Goodall	CEO CfA, Metro Project governance, Metro project team, (now comms for Waterfront Dev Agency)	Done	Yes	Yes	Yes	Yes
Nick Main	CEO then Chair Deloitte, business leader, Metro project team, Champions group,	Done	Yes	Yes	Yes	Yes
David McConnell	CEO McConnell Group business leader, Metro project team, Visitor economy work-stream leader, Champions for Auckland, Chair of ATEED	Done	Yes	Yes	Yes	Yes
Bruce Gadd	Regional strategy manager NZTE, Metro Governance Group	Done	Yes	Yes	Yes	Yes
Clyde Rogers	CEO, Auckland Plus, Metro project team	Done	Yes	Yes	Yes	Yes
Collin Mitten	Deputy Chair Enterprising Manukau, Chair of Food Innovation Centre, Board of Northport,	Done	Yes	Yes	Yes	Yes
John Wadsworth	CEO Waitakere Enterprise, 2 <sup>nd</sup> Chair AREDA, AREDF member, EDANZ Board; ATA economic development workstream, now Dean Business School Manukau Institute of Technology	Done	Yes	Yes	Yes	Yes
Sandi Morrison	CEO Auckland New Ventures Trust, Chair AREDA, member AREDF, member EDANZ Board	Done	Yes	Yes	Yes	Yes
Louise Marra	Director GUEDO, Chief Advisor Department of Prime Minister and Cabinet, Director Auckland Policy Office.	Done	Yes	Yes	Yes	Yes
Jami Williams	Policy Manager Cities and Regions team GUEDO, MED, Metro Governance team	Done	Yes	Yes	Yes	Yes
John Law	Mayor Rodney District Council, Board ATA, Board ATEED	Done	Yes	Yes	yes	Yes
Sir Bob Harvey	Mayor Waitakere City Council, Board Waterfront Development Agency	Done	Yes	Yes	Yes	Yes
Leigh Auton	CEO Manukau City Council	Done	Yes	Yes	Yes	Yes
Karen Lyons	Economic Development	Done	Yes	Yes	Yes	Yes

	Manager Auckland City Council, AREDS facilitator, Metro Project team, now Manager local Boards team Auckland Council					
Geoff Dangerfield	CEO MED, CEO NZTA	Done	Yes	Yes	Yes	Yes

## Appendix 3 International Review Team

### The International Review Team:



**Greg Clark** Advisor on City and Regional Development at the Office of the Deputy Prime Minister, UK, Global Practice Advisor at the London Development Agency, and Chairman of the OECD Forum of Cities and Regions.  
Adjunct Professor AUT



**Neil Fraser:** Chief Executive of the Central Johannesburg Partnership (CJP).



**Virginia Hamilton:** Executive Director of the California Workforce Association (CWA).



**Ian Bromley:** Director of Infrastructure and Innovation and Director of Commercialization, Ontario Ministry of Research and Innovation



**Elizabeth Ann Rodriguez:** Vice President Community Investment: Federal Reserve Bank of New York



**David Wilson :** Deputy Director Institute of Public Policy, AUT

## Appendix 4 International Review Stakeholder Engagement Week

### Metro Project International Review Team Timetable Auckland, May 1 – 5, 2006

	Day 1 (Mon)	Day 2 (Tues)	Day 3 (Wed)		Day 4 (Thu)	Day 5 (Fri)
<b>Breakfast</b>	8.30am AUT Mihi (brief welcome) Host: IPP Venue: IPP, 2 <sup>nd</sup> Floor 350 Queen St., Auckland	8.00am – 12.00 North-West sector Presentation 8am: Helicopter Tour Depart	8.00am – 11.00 Maori ED Key issues, priorities, opportunities Host: CMID Venue: Te Horotiu Marae, AUT University, Cnr. Wellesley and Symonds St.		7.30am Symposium for Auckland Venue: Aotea Centre Auckland City	Media Breakfast
<b>Morning</b>	9.00-11.00am Project Team Briefing Host: IPP Venue: IPP, 2 <sup>nd</sup> Floor 350 Queen St., Auckland	Mechanics bay 9am: Presentations and discussions North Ridge Convention Centre, Wainui Rd. Wainui.	11am -1.30pm Regional Capacity and civic infrastructure Work stream (meet with work-stream specialists and interested parties) Host: ARC Venue: ARC		Symposium for Auckland	10.00 -12.00 Review team debrief to the Region: AREDF, AREDA, GUEDO, GIAB, Metro project/govern team @ ARC
<b>Lunch</b>	11.30 – 1.30 Pacific Island ED Key issues Priorities and opportunities Host: PBT Venue: PBT 721 Great South Rd., Otahuhu	12.30 – 4.00pm Central Sector Lunch, Presentation and Tour Host: ACC Venue: Upper NZI room 5, Aotea Centre, Auckland Central.	1.30 - 4pm Skills Work stream (meet with work-stream specialists and interested parties) Host: ARC Venue: ARC	1.30 - 2.30 (review team time out for those not involved in the Skills workshop)	Symposium for Auckland	12.00-1.00 Lunch: Mayoral Forum / CEOs Host: ACC Venue: ACC
<b>Afternoon</b>	1.30 – 5.00pm Southern sector Presentation and tour Venue: Telstra Clear Pacific Events Centre: Panasonic Room 1			2.30 – 5.00 Innovation Work Stream (meet with work-stream specialists and interested parties). ARC	Symposium for Auckland (Finish 4.00pm)	1-4pm Review team and Metro Project team: Work-plan from here. 4pm Drinks and goodbyes Host: ARC
<b>Evening</b>	6.00pm Drinks @ ARC, AREDF  7.30pm Discussion with Governance Group Venue: Heritage  8.30pm Dinner: Host: Metro Governance Team	5.00 -7.30pm Public Forum “Making Cities Work” Hosted by: ACC & AUT University Venue: AUT Conf Centre, Wellesley St.	6.00pm Drinks: GIAB and key C/Govt CEs Host: GUEDO  7.30pm Dinner - Host: Committee for Auckland		Review Team (Time – out!)	

## Appendix 5 Champions for Auckland

<p><b>UNIVERSITIES / EDUCATION</b>  Stuart McCutcheon: University of Auckland  John Raine: Massey University  Derek McCormack: AUT  John Webster: Unitec  Iva Ropati: Penrose High School</p> <p><b>BANKING AND FINANCE</b>  Ann Sherry: Westpac  Hugh Burrett: ASB Bank  Peter Thodey [or Anne Blackburn]: BNZ  Simon Allen: ABN Amro  Colin Giffney: Giffney &amp; Jones</p> <p><b>PROFESSIONAL SERVICES – LEGAL, FINANCIAL, PR</b>  Michael Stiassney: Ferrier Hodgson  Jan Dawson: KPMG  Nick Main: Deloitte  Michael Lorimer: Grant Samuel  David McGregor: Bell Gully  Rob Fisher: Simpson Grierson  Dave Tapper: Boston Consulting Group  Geoff Ricketts: Russell McVeagh  Jane Sweeney: Porter Novelli</p> <p><b>MANUFACTURING/FOOD AND BEVERAGE</b>  Gilbert Ulrich: Ulrich Aluminium (ML)  Henry van der Hayden: Fonterra  Gary Paykel: Fisher and Paykel  Peter Masfen: Montana  Craig Norgate: Rural Portfolio Investments  Bryan Mogridge: Waiheke Wines  Fred Hellaby: Wilson Hellaby  David Nathan: Pacific Flight Catering</p> <p><b>TECHNOLOGY SECTORS</b>  Ross Peat: Microsoft  Keith Watson: HP New Zealand  Peter Maire:  Jim Watson: Genesis Research &amp; Development</p> <p><b>TRANSPORT</b>  Bruce Plested: Mainfreight  Chris Mace: Oceania &amp; Eastern  John Palmer: Air New Zealand  Geoff Vasey: Ports of Auckland  Don Huse: Auckland International Airport</p>	<p><b>PROPERTY</b>  David McConnell: McConnell  Alex Swney: Heart of the City  Matthew Cockram: Bluewater  John Rae: Stevensons  Mark Binns: Fletcher Construction  Gavin Cormack: Beca  Richard Didsbury: Kiwi Income Property Trust  Adrian Burr</p> <p><b>UTILITIES</b>  Doug Heffernan: Mighty River Power  Mark Franklin: Vector  Murray Jackson: Genesis Power</p> <p><b>TOURISM</b>  Evan Davies: Sky City</p> <p><b>SPORTING/CULTURE</b>  John Maasland: Royal NZ Ballet  Greg Muir: Auckland Rugby  Wayne Walden: Māori Television</p> <p><b>NOT FOR PROFIT/YOUTH/COMMUNITY LEADERS</b>  Brian Corban: Auckland City Mission  Diane Robertson: Auckland City Mission  Pat Lynch: Catholic Education Office  Pauline Winter: Pacific Business Trust  Sir Paul Reeves: Hui Taumata  John Tamihere: Waipareira Trust  Pansy Wong &amp; Sammy Wong: Nominate Asian leaders  Shannon Joe: Young Leader  Stephen Tindall: Tindall Foundation  Peter Menzies: Growth &amp; Innovation Advisory Board  Paul Mueller: Pacific Business Trust  John Lindsay: Auckland Regional Chamber of Commerce  Alasdair Thompson: EMA Northern  Sir Ron Carter: Committee for Auckland</p>
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## Appendix 6 Symposium on Auckland Invitation





## AN INVITATION TO BE OUR GUEST AT SYMPOSIUM FOR AUCKLAND

Thursday 4 May 2006 7.30am - 4.00pm at Aotea Centre, Auckland, NZ

**Successful cities are built on alliances, and a focus on action.**

Auckland is New Zealand's international city, and vital to the future of NZ as a competitive economy, and a presence in the world. You, and others like you, who are involved in the important work of strengthening that future, are invited guests to the Symposium for Auckland.

Other cities (now recognised as world success cities) have lifted their game through the actions of concerned citizens, and their active participation in creating a recipe for success. Committee for Auckland and our Symposium Hosts, the Growth and Innovation Advisory Board and the Regional Economic Development Forum, are committed to engendering broad based leadership and the Symposium is challenged to achieve this.

Symposium for Auckland is part of an alliance project, the METRO Project. We have called on the best in the business from the world cities of London, New York, Sacramento and Johannesburg to advance the steps Auckland is taking toward being both a stronger economy, and a more successful city-region.

Greg Clark, Chair of the OECD Cities and Regions Forum and adviser to the Mayor of London and to the Deputy Prime Minister of the UK, leads an International Review Team here in Auckland from May 01 - 05 2006.

The Symposium for Auckland will confirm, and start to resolve, the latest challenges facing a sustainable economy for Auckland, bringing the savvy of the international team together with the experience of our own senior decision makers for a very full day.

At the Symposium, you will

- see the latest analysis of Auckland's position
- hear from leading international practitioners on cities, and success stories from other cities, pertinent for Auckland and NZ
- participate in four structured workshop sessions led by Aucklanders to debate the core issues, establish common ground and begin action planning
- contribute to plans which both accelerate Auckland's performance as a city/economy and make 2011 - the year of Rugby World Cup - an important milestone for both NZ and Auckland.

You will bring your experience and knowledge to bear on these issues, with a perspective highlighted by the International Review Team.

- |                   |   |
|-------------------|---|
| <b>Workshop 1</b> | Delivering infrastructure for a world class city                |
| <b>Workshop 2</b> | Tackling Auckland's skill shortages                             |
| <b>Workshop 3</b> | Building business innovation and capability in a global context |
| <b>Workshop 4</b> | Making the most of 2011 - year of Rugby World Cup.              |

Some of the best international thinking on cities will be with us in Auckland for the week. But the quality of foresight we need from the Symposium for Auckland will benefit immeasurably from your participation.

Please consider this a personal invitation, mark the day in your diary and **RSVP no later than 12 April to [forauckland@tcc.co.nz](mailto:forauckland@tcc.co.nz)** or telephone (09) 360 1240.

We appreciate that a day is a significant investment in anybody's terms, but the timing is very right for this event.

Sincerely

*Sir Ron Carter*  
Committee for Auckland

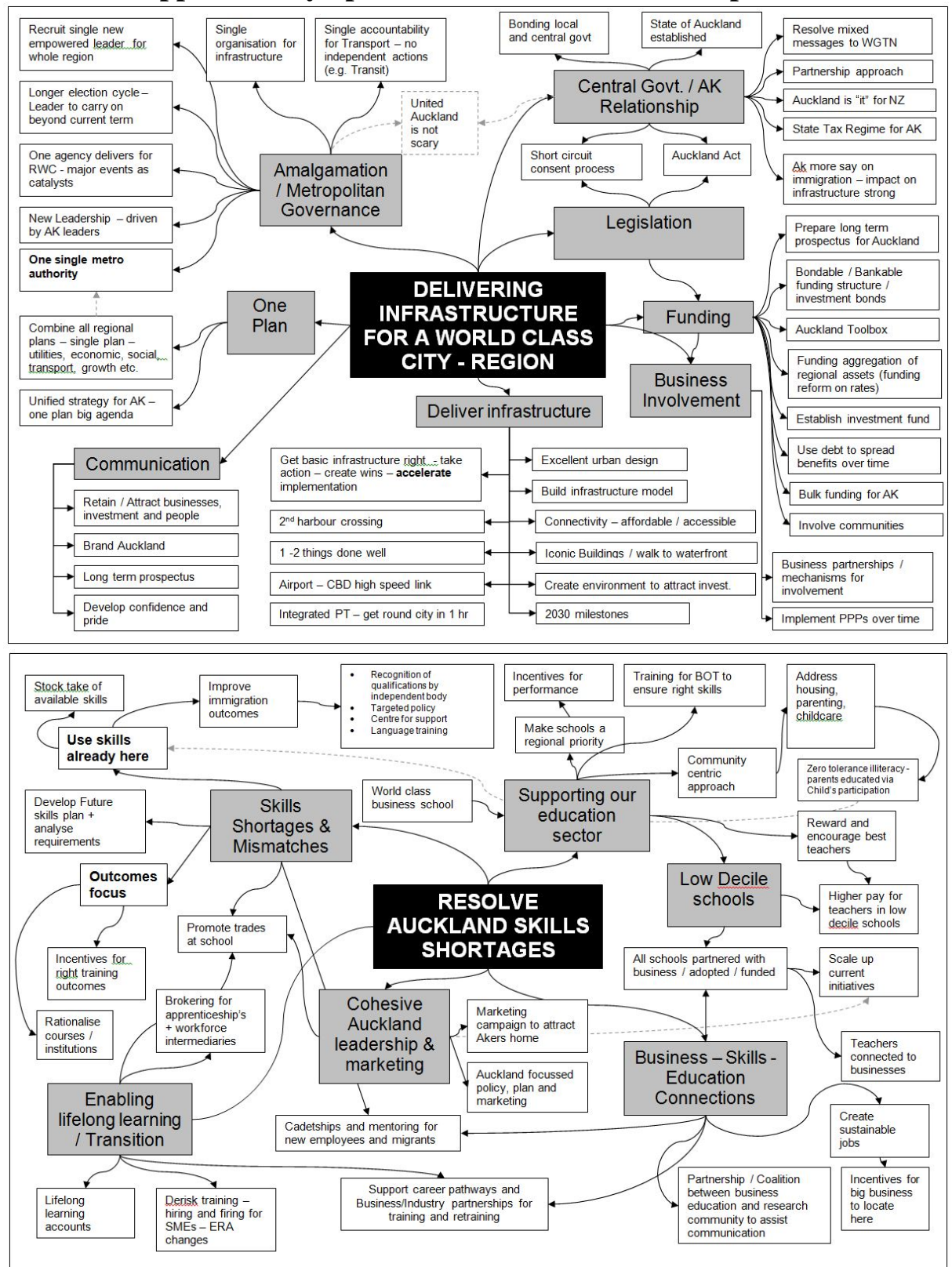
*Ann Sherry*  
Growth and Innovation Advisory Board

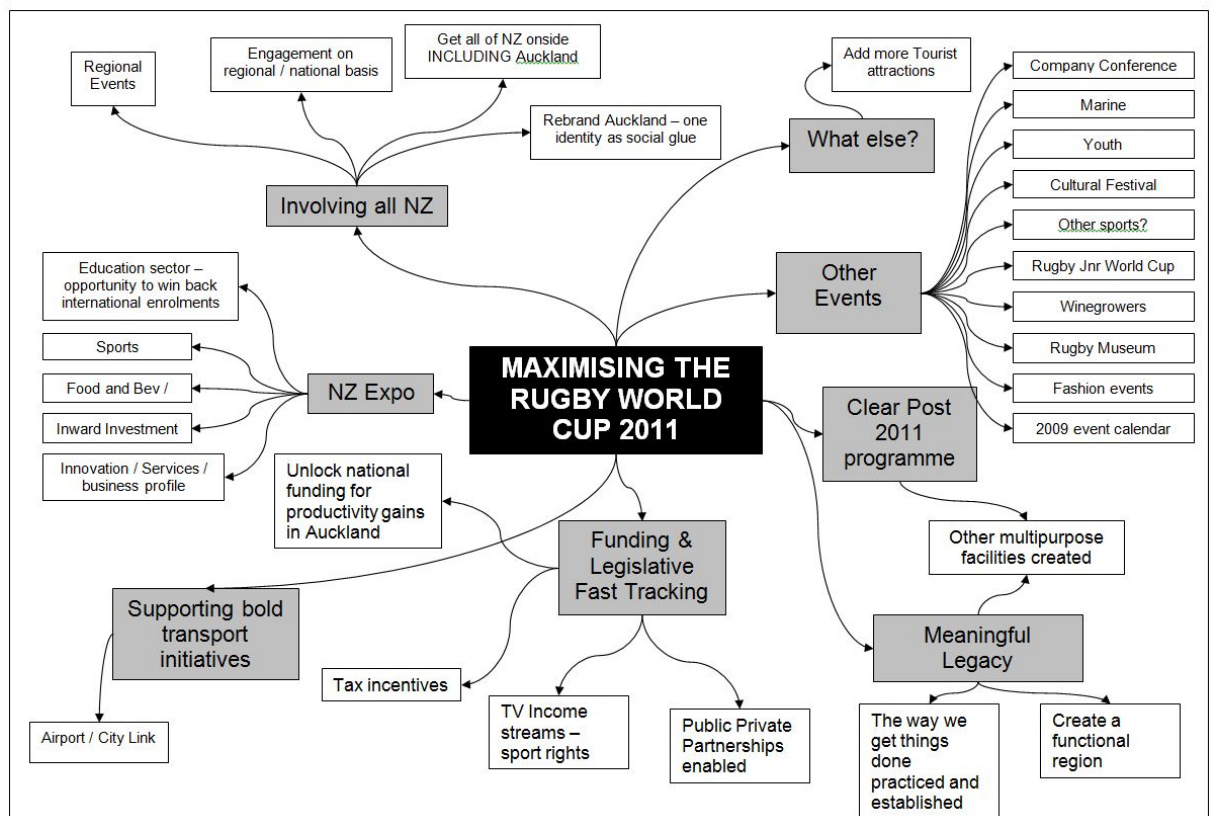
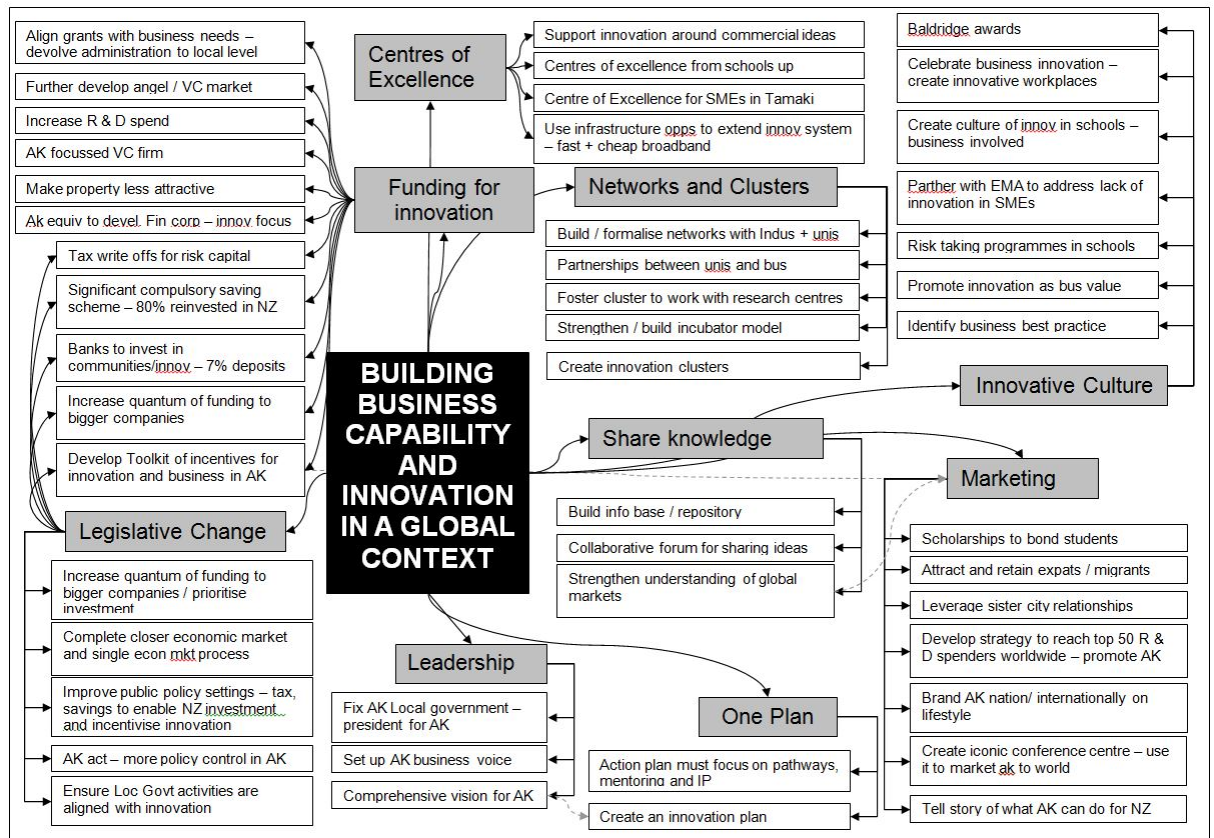
*Michael Barnett*  
Auckland Regional Economic Development Forum



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## Appendix 7 Symposium on Auckland Mind Maps







## Appendix 8 Metro Report Recommendations

- i. **An Enhanced Leadership Commission for Auckland:** Auckland needs the leadership skills of local and regional councils to join with leaders from the national government, the business sector, and community and civic organisations in order to become one voice and one champion group for the region. This should be established, drawing upon existing efforts and sharing accountability for drawing up and implementing the action plan. Extensive, and in many cases effective, leadership activity already exists and needs to be aggregated into one body to oversee long term development.'
- ii. **One Plan for Auckland:** This means accelerating a commitment to building and using a single strategic planning framework for Metro Auckland, integrating other strategies and plans around a single vision, single evidence base, and single time frame. This plan should integrate infrastructure, planning, land use, energy, economic development, environment, social and cultural dimensions as a single vision and purpose for the region. It should operate as a long term, and a short to medium term, strategic framework.'
- iii. **An Investment Prospectus for Auckland:** Arising from the Action Plan will be 8-12 key interventions that require investment beyond what the public finance regime is currently delivering. Working closely with the financial services sector based in Auckland, and the national government, these initiatives should be examined and assessed to find the best means to finance them in the near term. A single prospectus should be drawn up identifying preferred financial mechanisms for each, including local and regional taxation, national public finance, commercial and institutional finance and other financial innovations. This prospectus will provide a single financing plan for the critical interventions required to drive Auckland's future forwards. This document should be shared by the entire Metro region. It should engender popular support and, if necessary, be put to a referendum in 2007 at the same time as the local elections.
- iv. **A Jointly owned Regional Development Organisation to Deliver Major Projects:** For major projects that fall beyond the remit of single existing bodies, or where there has been delay in progressing them, a single capable project delivery organisation, jointly owned by the main partners in Auckland, should be able to deliver. A regional development organisation, which is jointly owned with participative governance, should be established to help drive major projects and interventions in a dedicated manner.
- v. **Labour Market Intervention:** Action is needed to improve the interaction between employers and skills providers in the regions in order to give labour market interventions more of an impact.
- vi. **The Regional Innovation System:** Working within a renewed national effort, a programme of larger scale interventions and initiatives to better join up the existing initiatives is required to foster a more effective regional innovation system.

- vii. **An Inclusive Region:** Paying more purposeful attention to disadvantaged areas and communities is critical to making population growth (and economic growth) work for Auckland. More attention to larger scale community investment efforts are recommended in order to foster greater economic empowerment. We recommend establishing a systematic effort to deliver community investment at the regional level.
- viii. **Distinctively Auckland:** Substantially enhanced regional identity and promotion is required in order to better communicate Auckland's distinctive appeal to differentiate Auckland from other regions, and to grow the market for Auckland across sectors. Current efforts are too disaggregated and small scale. A vision for Auckland's future must have an emotional logic as well as an economic logic. It must appeal to people on multiple levels. Connecting the image and identity of Auckland to a clear articulation of the future is key to both planning and promotion of the region.
- ix. **Connected Hubs and Spokes:** Transport improvements are already underway in many parts of the region. Critical amongst these is improved rail links between CBD and the airport. This project should be a key priority for the next 3 years.
- x. **New Zealand's Shop Window:** The CBD and Waterfront are critical to the success of New Zealand and the whole Auckland region. Existing efforts and interventions aimed at revitalisation should be redoubled and the scope of support should be enlarged to make this an important national and regional project. The progress of the CBD and the Waterfront should be undertaken in tandem as a single project.
- xi. **The Vital Regional Energy:** Auckland's regional energy supply and distribution system is inadequate for a modern city and not yet able to help mitigate the challenges of climate change. There is action already proposed and this should be taken forwards in a committed and systematic way.
- xii. **Digital Connectedness:** Broadband and wireless capability is critical to overcoming some of the challenges of geographical location, but broadband in Auckland is well below the standards required for a successful international city. Recent progress made on the framework needs to be utilised through rapid upgrades in availability.
- xiii. **A Major Catalyst:** The Rugby World Cup 2011 can be an important catalyst for many of the improvements that the Auckland Metro Region seeks to make. It will not only be a significant sports festival and tourism event, but could also be the means to achieve much wider developmental and economic outcomes. Sports activities might be coupled with culture, science, or technological expositions. Improvements to transport, hotel, and other visitor infrastructure might serve broader purposes. But most importantly, the RWC can offer Auckland the opportunity to build new markets in high value activities in Higher Education, Media, Science, and Production. A programme to define and create wider benefits for the Auckland region should be set up and a dedicated team identified to pursue this aspect of the RWC.

- xiv. **Expansion of Knowledge Infrastructure:** Higher Education, Research, and Medical facilities are important assets in Auckland. They are recognised as significant, but little attention appears to have been paid to how they might be expanded within the region, especially to serve international markets. Better promotion of what Auckland has to offer internationally would be worthwhile, but also national and regional initiatives are needed to grow the base of excellence.
- xv. **Bringing the World to Auckland:** An international events strategy and programme should be established with the intention of bringing the world to Auckland more regularly. Auckland should consider a range of events that it might host before and after 2011, linked to the wider development goals of the region. The Commonwealth Games, Americas Cup, EXPO, Summits, and others all offer the potential to help build Auckland's identity, to foster investment in essential infrastructures, and to build new international niches in the regional economy.' (Clark et al., 2006, pp. 5, 6).

## **Appendix 9 Letter to Helen**

**Friday, 8 September 2006, 4:54 pm**

**Press Release: [Auckland City](#)**

5 September 2006

The Prime Minister  
Parliament Building  
Wellington

Dear Prime Minister

Rationalisation of Auckland's governance structure

Nearly two years ago the four Mayors of Auckland came together to sing a Christmas carol on stage at the "Christmas in the Park" concert. We sang the same song together with the same tune, albeit we were not necessarily in perfect tune or harmony! We now come together again with a common voice or song on an issue that, in our opinion, is very serious and now, for reasons that we can demonstrate, urgent.

The issue is the reform of Auckland's governance structure. We, the four Mayors of Auckland, are unanimous in our view that the governance structure in Auckland is not working properly, and, more importantly, will not and cannot deliver Auckland to be the world-class city that both you, and we, desire.

We have been heartened by the clear message received from you that if Auckland wants reform then the Government will stand ready to help. We are unanimous in our belief that this proposed reform has to be both bold and fast. The flaws in the existing system are, in our belief, both fundamental and systemic and a "band aid" solution or a slow solution will not work.

We are united in our belief that speed and urgency is important as a means of overcoming pullback and resistance to change. It is essential to give impetus for the implementation of recommendations coming through from both the METRO and START projects. We also believe that one very strong argument for urgency is the need to have Auckland ready to both receive and derive the maximum benefits from the Rugby World Cup 2011.

We also believe that the public of Auckland want change. As you and we are aware, the business community generally, and business groups specifically, have argued for a rationalisation of Auckland structure for some years now. The strength of this voice has significantly increased recently. There is now a public awareness of the debate and the media are increasingly picking it up as an issue. The current rates debate and discomfort over rates increases have elevated governance reform in the public minds as an issue and a possible solution. Grant Kirby, ex chair of the Local government Commission, is specifically forming a "One Auckland" research and lobby group. We believe it is important to be on the "front foot", on this issue and to show leadership by being ahead of the call for governance reform.

We are aware, of course, that there will be obstacles to overcome and that successful implementation of a bold reform will encounter resistance from some quarters. We agree with you that the impetus for reform has to be seen as coming from Auckland. We also believe there must be as much unity as possible between the four Mayors and Government.

We, the four city Mayors, pledge to work as closely as possible with you in partnership on this proposed change and to play our role in both fronting up and taking the concept to the people of Auckland.

Each of us is fortunate to have highly competent Chief Executives, all of whom struggle with the complexity and slowness of the existing structure. We would offer their services to Government to assist in the reform process and the implementation of an appropriate structure. Their enthusiasm for reform is key to successful implementation.

For some of us, a change in governance may mean termination or modification of our political careers. We accept this possibility and while none of us want premature termination of our careers, we accept that the interests of greater Auckland come before our individual interests.

Dr Michael Cullen summed up the situation in our opinion extremely well when he stated in Auckland recently “instead of Auckland being one world-class city that it was a combination of four sub world-class cities”. We do not see this as an indictment on our stewardship but rather that it meant four fragmented entities rather than one united Auckland.

We would also add to his comments that Auckland lacks and suffers from not having an overall elected leader or voice. The four cities of Auckland also have a regional council that, in our opinion, is not able to deliver regional leadership.

In our opinion the structure, responsibilities and “modus operandi” of the Auckland Regional Council is a problem and has an inhibitory effect. It is our opinion that the Regional Council model which works arguably well in other parts of the country, is not appropriate for a city with the size and complexity of Auckland. The focus must be on a structure that removes the conflicting, confusing and overlapping responsibilities between the ARC and the TLA’s of Auckland.

In short, it is our opinion that structures which have worked tolerably well in the past in Auckland will not and cannot deliver Auckland’s needed transformation. The phrase, “Globally, cities compete with cities” is true and businesses are of the view that we are running a real risk of becoming a branch city of Australia.

Attached to this letter is our summary of the perceived benefits of an overhaul of the governance structure. We will vary a little in our ranking of the relative importance of these benefits and some of the benefits are overlapping. However, we are in agreement that this list represents the main benefits that will be obtained.

More importantly, we present to you our alternative model, which centres around the concept of a “Greater Auckland Council”. This in our opinion is the only structure that can provide overall leadership, an overall voice, an overall strategic overlay and a distinctive “chain of command” to the delivery agents of cities or councils that sit underneath this structure.



The Greater Auckland Council (GAC) must be more than a revamp, renamed or reconstituted ARC. It will obviously pick up on a number of the current ARC responsibilities, programmes and expertise, and will also take some current functions from the TLA's. However, the transition to the new structure must be tight and well defined. It must factually, and in the public perception, herald "a fresh new start" to the governance of Auckland.

We agree the process of reform should be a two-step process. We would urge that both the announcement of and the setting up of stage one be as soon as possible. We also believe that the transitional period should be as tight as possible to avoid, if nothing else, any loss of impetus towards Rugby World Cup 2011 preparations.

The essential elements of our recommendations on which we are unanimous are as follows:

- a) A Greater Auckland Council (GAC)
- b) A directly elected head of the GAC.
- c) Representation on the GAC by the Mayors of the Auckland Region cities or councils in conjunction with directly elected and/or appointed representatives.
- d) A redefining of the responsibility of the current cities and councils into the "delivery arms" of the GAC, albeit allowing these entities to have distinctive local identities that reflect individual social, environmental, economic and cultural characteristics.
- e) Reconsideration of the number of cities or councils, their boundaries and urban limits, though we appreciate that this may need to come after the transitional arrangements have been put in place.
- f) The use of well structured CCO's ( Council Controlled Organisations) reporting directly to the GAC to run regional structures such as Ports of Auckland, Watercare, ARTA, Emergency management, Parks etc. maximising business expertise and minimising political interference.
- g) A common rating system and shared services between councils.

We do not believe that a referendum by the people of Auckland is the appropriate way of progressing a "Greater Auckland Council" structure. Such a referendum would slow the process down too much, to the detriment of Rugby World Cup planning and more. It would, in our opinion create uncertainty and could potentially de-rail the process, or allow for a sub-optimal outcome.

The overall aim must be a simplification and streamlining of the existing structure. It must not be "yet another layer". It must reduce current complexity, current duplications and current overlaps and confusion of responsibilities.

We are unanimous in our belief that this proposed structure is the key to moving Auckland forward and unlocking its potential, which we believe, is yet to be realised and which cannot be realised with the existing structure.

Sincerely yours

Dick Hubbard  
Mayor of Auckland City

Sir Barry Curtis  
Mayor of Manukau City

George Wood  
Mayor of North Shore City

Bob Harvey  
Mayor of Waitakere City

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#### Appendix one

#### THE PERCEIVED BENEFITS OF AUCKLAND GOVERNANCE REFORM

We, the four city Mayors of Auckland, believe that the following are the advantages of and the core of the arguments for Auckland Governance reform. We will vary on our weighting and our ranking of the relevant importance of these benefits. Furthermore, we note that many of the benefits as listed below are inter - related and are not mutually exclusive.

We recognise that the actual benefits and the selling of the benefits of reform are two separate issues. Clearly, the current debate on rating allows the efficiency argument to come to the fore as a selling argument for reform. However the efficiency and cost saving arguments are, in our opinion, not the core arguments. As with business rationalisation, some projected cost benefits are not always achieved in practice and transitional arrangements can sometimes cost more rather than less. It would therefore be our belief that the core arguments are –

1. One Auckland coordinated plan and one Auckland leadership.
2. One Auckland overall identity
3. Delivery of the Metro report and other major regional outcomes including Rugby World Cup and any other major international events.

The details of the benefits as we see them are listed below.

##### I. One Auckland Plan

The development and implementation of a coordinated overall plan bringing together –

- a) The long term plan ( START)
- b) A community development plan (New)
- c) The Economic development plans (METRO)
- d) The Regional Growth Strategy (RGS)

- e) The Regional Transport Strategy Plan ( RLTS)
- f) The Rugby World Cup plan

## II. Delivery of Plan

The GAC will allow a prioritised delivery of funding and infrastructure for Auckland with the “one city” emphasis overriding parochial interest.

## III. Leadership

The GAC will provide a voice for Auckland from both an Auckland elected leader and the GAC itself to the Auckland public, to the business community and to the Government

## IV. Efficiency – Costs

The new structure should allow efficiencies to be gained through –

- a) Slimming down of political structures (current costs of \$52 million dollars per year or 3 per cent of all TLA / ARC operating costs).
- b) Cost savings of shared services e.g. rating costs, common supply contract for services etc.

## V. Efficiency – Decision Making

The GAC will allow

- a) A speeding up of decision-making processes and reduction of the costs of decision-making processes.
- b) Minimisation of “political churn” i.e. re-litigation of decision making by different agencies, multiple legal costs.

## VI. Image

A GAC will allow a stronger Auckland “identity” and “image”. This will have a symbolic value as a premier city and will allow a metro city identity.

## VII. Funding of Regional Structures

The GAC will allow

- a) Appropriate and equitable funding of all regional physical infrastructures (e.g. Zoo, Art Gallery, etc.) organisations (e.g. Philharmonia) and events e.g. city - wide ethnic festivals
- b) One structure for the redevelopment of the waterfront ( Wynyard Wharf and rest of waterfront)

## VIII. Minimisation of use of courts

A clear top down structure will allow the avoidance of current costly and time-consuming LTA/ ARC disputes currently going through the Environment Court and the general court system.

## IX. Resource Consents

One set of co-ordinated resource consents instead of separate and un- coordinated LTA/ ARC resource consents, to help develop projects.

## X. Rating

The new structure will allow a coordinated approach to rating formulas amounts and

collection - it will hopefully allow more buy-in from the public. It will allow for more equity of the rating contribution across greater Auckland.

#### XI. Ownership and Control of Regional Entities

The GAC will allow for a consistent CCO (Council Controlled organisations) structure for the bodies such as Ports of Auckland, ARTA, Watercare, Parks Trust, Regional Property Development (including the waterfront / Wynyard Wharf area) etc.

There are of course, other benefits. We recognise that a major reform such as this will create some unsettlement and that some of the benefits will take a number of years to fully materialise.

However, we believe the cost of “disruption” is greatly exceeded by the benefits to be obtained.

Sincerely Yours

Dick Hubbard  
Mayor of Auckland City

George Wood  
Mayor of North Shore City Sir Barry Curtis  
Mayor of Manukau City

Bob Harvey  
Mayor of Waitakere City

Appendix two

#### THE PROPOSED STRUCTURE

We, the four city Mayors of Auckland, recommend to you the immediate formation of a Greater Auckland Council (GAC) the components of which should be as follows:

1. A directly elected head of Greater Auckland.
2. A Council comprising:
  - I. The Mayors of Auckland.
  - II. Directly Elected Representatives
  - III. Direct Government appointments
  - IV. Minister for Auckland (non voting?)
3. The GAC to have overall responsibility for metropolitan Auckland. Such responsibilities would include the stewardship of all strategic plans (economic, growth, transport, long term (START) and Rugby World Cup.
4. The GAC to own and operate all assets which are regional in nature through the use of strong CCO's (Council Controlled Organisations) e.g. -
  - Auckland Regional Holdings (ARH) and ARTA
  - Trading e.g. Ports of Auckland
  - Service delivery entities e.g. Watercare
  - Facilities e.g. Sporting venues, Zoo, Library network, The Edge, the Bruce Mason

Centre and The Art Gallery.

- Regional Parks, premier parks including the Volcanic cones.
- Property Assets – as appropriate.

5. The GAC to have responsibility for funding regional organisations (e.g. Philharmonia) and events, (e.g. City Wide Ethnic Events).

6. The GAC to have responsibility for a single rating system and revenue collection with each local council having a variable component set by each council to reflect individual cost structures.

7. The GAC to set up a “shared services” structure for the Councils under it.

8. The GAC will have responsibility for service, which it determines are metropolitan in nature.

9. The GAC to have a legally constituted CEO’s Board made up of Chief Executives of the councils. The GAC Chief Executive would be the Chairman.

10. The GAC to use strong “CCO” structures as previously outlined for the running of subsidiary entities. e.g. Watercare, ARTA, Ports of Auckland etc.

Under the GAC will be the “Local Councils”, acting as “delivery arms” of the GAC. These will deliver the “territory services” within the strategic parameters set by the GAC. The powers and responsibilities of the councils will be determined by GAC and by legislation.

We recognise that there is room for debate on the number of these redefined council entities. (cities?). Three possible scenarios are as follows:

1) Three city model

- Counties / Manukau (includes Papakura, parts of Franklin)
- Auckland Central
- North Harbour (including Waitakere and Rodney)

2) Four city model

- Counties/Manukau (includes Papakura, parts of Franklin)
- Auckland Central
- Waitakere
- North Shore ( including Rodney)

Other combinations do of course exist, including the status quo.

A debate will also be necessary on the possible adjustment of the Franklin District Council into Auckland Regional (GAC) components and true rural components, with the rural components possibly going into adjacent rural district councils. ie. Franklin south of the Waikato River.

Furthermore, with the GAC being confined to regional Auckland, consideration will need to be given to the re-definition of Waikato Regional Council Boundaries.

It is believed that the redefined councils should have elected representatives (ER’s) significantly reduced in number to reflect redefined responsibilities, and the redefined method of operating. This in turn will have ramifications for ward boundaries and community board structures.

We have not addressed specifically the role and value of community boards and at this stage there is divided opinion amongst us on their role and value. This is a level of detail that is not necessary to be addressed at this stage. However, we make the point

that community boards are close to the public can galvanise public opinion, and any changes to their structures would have to be thought through carefully and handled carefully. For these reasons, the status quo (with redefined boundaries) may be the answer.

Sincerely Yours

Dick Hubbard  
Mayor of Auckland City

Sir Barry Curtis  
Mayor of Manukau City

George Wood  
Mayor of North Shore City

Bob Harvey  
Mayor of Waitakere City

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### Appendix three

#### IMPLEMENTATION ARRANGEMENTS

We are of the unanimous view that a two-stage process is necessary to implement the required proposed changes. The reasons for this are as follows:-

(a) It is in our opinion hugely important that we avoid a “hiatus” of a slow implementation that freezes decision-making, diverts attention and slows Rugby World Cup preparations.

(b) The current METRO report recommendations in our opinion cannot start to be delivered under the existing governance structure.

(c) The “boldness” inherent in the plan will be diluted and partly lost by a slow implementation process and some “pull back” to existing structures may occur by those resistant to change.

It is our combined belief that the implementation period (with an appropriately robust implementation structure) should be as brief as possible. However, we do understand and appreciate the need for consultation, buy-in and due democratic process to occur. We understand the particular importance of this if boundaries are to change.

The present Regional Council will stay in place until the October 2007 election when we are hopeful that a new structure will be put in place.

We have discussed whether the transitional GAC requires specifically legislation or should be “voluntary”. We have formed the view that it must be set up also by legislation so that it can deliver with appropriate authority and take the necessary leadership role for the Rugby World Cup preparations.

We recognise that transitions come with their own set of problems and that they can be difficult if they are not managed correctly. We give you our commitment to give all possible assistance to expedite appropriate smooth transition arrangements and we are prepared to consider redefining our own roles and responsibilities to help expedite this.

Sincerely Yours

Dick Hubbard  
Mayor of Auckland City

Sir Barry Curtis  
Mayor of Manukau City

George Wood  
Mayor of North Shore City

Bob Harvey  
Mayor of Waitakere City

ENDS

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## Appendix 10 Ulrich's Critical Systems Heuristics

### SOURCES OF MOTIVATION

- (1) Who is (ought to be) the **client** or beneficiary? That is, whose interests are (should be) served?
- (2) What is (ought to be) the **purpose**? That is, what are (should be) the consequences?
- (3) What is (ought to be) the **measure of improvement** or measure of success? That is, how can (should) we determine that the consequences, taken together, constitute an improvement?

### SOURCES OF POWER

- (4) Who is (ought to be) the **decision-maker**? That is, who is (should be) in a position to change the measure of improvement?
- (5) What **resources** and other conditions of success are (ought to be) controlled by the decision-maker? That is, what conditions of success can (should) those involved control?
- (6) What conditions of success are (ought to be) part of the **decision environment**? That is, what conditions can (should) the decision-maker *not* control (e.g. from the viewpoint of those not involved)?

### SOURCES OF KNOWLEDGE

- (7) Who is (ought to be) considered a **professional** or further **expert**? That is, who is (should be) involved as competent provider of experience and expertise?
- (8) What kind **expertise** is (ought to be) consulted? That is, what counts (should count) as relevant knowledge?
- (9) What or who is (ought to be) assumed to be the **guarantor** of success? That is, where do (should) those involved seek some guarantee that improvement will be achieved – for example, consensus among experts, the involvement of stakeholders, the experience and intuition of those involved, political support?

### SOURCES OF LEGITIMATION

- (10) Who is (ought to be) **witness** to the interests of those affected but not involved? That is, who is (should be) treated as a legitimate stakeholder, and who argues (should argue) the case of those stakeholders who cannot speak for themselves, including future generations and non-human nature?
- (11) What secures (ought to secure) the **emancipation** of those affected from the premises and promises of those involved? That is, where does (should) legitimacy lie?
- (12) What **worldview** is (ought to be) determining? That is, what different visions of 'improvement' are (should be) considered, and how are they (should they be) reconciled?

#### Checklist of boundary questions

The second part of each question, beginning with 'That is, ...' defines the boundary category in question. (Source: W. Ulrich 2000, p. 258, originally in 1987, p. 279f)



## Appendix 11 Participant Request Letter



Dear .....

I am writing to ask if you would participate in my doctoral research into Auckland's regional development. You have been selected because you were either a key participant or stakeholder in the Metropolitan Auckland Project (Metro Project) 2006-2010. I am hoping that your insights will contribute to this research aimed at informing future projects of this nature and regional development theory, policies and practices more generally.

**Please know that you are free to decline this request.**

A 'participant information sheet' and a 'consent form' are attached for your information. The participant information sheet outlines all you need to know about the research and your rights associated with participating. Please feel free to contact the parties mentioned in the information sheet should you have any further questions about the research.

A consent form will need to be signed by you and returned to us if you decide to participate. We can provide a self-addressed pre-paid envelope or alternatively you can bring the original signed copy with you to the interview. I will also bring a spare to the interview as a back-up as I cannot proceed without it. Thank you for taking the time to consider this request. Robin Hannah or Gwen Ferguson will follow up this letter with an e-mail or phone call to confirm that you have received the information and to see if you would like to participate. If so they can make an appointment for an interview that should take no longer than one hour.

Kind regards,

A handwritten signature in blue ink, appearing to read 'David Wilson', written over a light blue horizontal line.

David Wilson, PhD candidate.

**Appendix 12 Participant Consent Form**

# Consent Form

For participating in PhD  
thesis research.



Project title: The Metropolitan Auckland Project: Implications for Regional Economic Development, Governance, Policy and Practice.

Project Supervisor: Prof Marilyn Waring

Researcher: David Wilson

- ☐ I have read and understood the information provided about this research in the Information Sheet dated 18 Jun 2012.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that my interview will be digitally recorded and that the researcher may also make notes.
- ☐ I understand that I may withdraw myself or any information I have provided for this research at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ If I withdraw myself, I understand that relevant information about myself, recordings and notes, will not be used, and will be destroyed.
- ☐ I understand that I will receive information on the link to an electronic copy of the thesis as soon as it is published.
- ☐ **I agree** to take part in the following component of this research
  - ☐ Semi-structured interview.

Name: .....

Title: .....

Organisation: .....

Contact ..... Details:

.....

.....

Signature: Date:

*Approved by the Auckland University of Technology Ethics Committee on 4th Oct 2012.*

*AUTEC Reference number 12/1283.*

*Note: The Participant should retain a copy of this form.*

Appendix 13 Participant Information Sheet

# Participant Information Sheet

## Key Stakeholders and Participants in The Metropolitan Auckland Project 2006-2010



*Date Information Sheet Produced: 18 Jun 2012, David Wilson PhD Candidate.*

*Title: The Metropolitan Auckland Project: Implications for Regional Economic Development, Governance, Policy and Practice.*

### **An invitation:**

**I invite you to participate in doctoral research into the Metropolitan Auckland Project (Metro Project).**

My name is David Wilson. I am conducting research into the Metro Project as part of my doctoral research looking at the Metro project itself (a case study) and an evaluation of its high level impact (an evaluation).

### **Your participation is entirely voluntary.**

Please do not feel any pressure or obligation to take part. You can change your mind about taking part at any time during the interview process. If you wish to withdraw after you have provided information, you can do so up until all data has been collated.

### **What is the purpose of this research?**

The purpose of this research is to learn from the Metro Project. I wish to document the nature, purpose and outcomes of the Metro Project, what worked, what didn't, why and under what circumstances. This is intended to inform future regional development policies, practices and projects.

### **What will happen in this research?**

1. I wish to talk to you **one to one** for approximately **one (1) hour**.
2. I will conduct a 'semi-structured' interview. This means I will have a number of specific questions to ask you, but we will have time to explore issues around some themes and any issues you think are pertinent.
3. I will digitally record the interview and make some notes.
4. I will keep the recordings to refer back to in order to understand and confirm what you have told me.
5. You will receive a copy of the transcription to confirm what you have said.

### **Ensuring your comfort**

I will conduct the interview in a way that is relaxed and conducive to you feeling safe in providing information. Your information will form part of a larger group of interviews that will be analysed and synthesised into my findings. I will not use your information specifically without your permission.

### **How will my privacy be protected?**

- You **may be identified** in the research as a participant in the appendix or in the text through quotations or references if you choose.
- Your name will **not be identified** in the research if you wish that your information is provided to me on a confidential basis.
- If you are **happy to be identified** then your name, position and the organisation you represented at the time will be listed and referred to.

- If you are **not willing to be identified and you take part in the research** then you will be referred to by a pseudonym. No other information will be provided
- All notes and recordings will be kept in a secure place for six years after the research has been completed, then destroyed.

### **What are the benefits?**

Your participation in this research gives you the opportunity to contribute to learning about what worked, what didn't, why, and under what circumstances, in the Metro Project. This is done so that regional economic development and metropolitan governance policy and practice can be improved in the future.

### **How do I agree to participate in this research?**

If you would like to take part in the research, please:

- Sign the attached Consent Form and return it to me either beforehand in the return envelope provided, or bring it to the interview with you. I cannot proceed without your consent.

If you have any questions or concerns about the project, please contact Professor Marilyn Waring (see contact details below).

### **Will I receive feedback on the results of this research?**

The outcome of the research will be a doctoral thesis. The completed thesis will be available to you on Scholarly Commons, and you will be sent the link to this.

### **What do I do if I have concerns or need further information about this research?**

- If you have any concerns about the nature or content of this research, please contact the Primary Supervisor: Prof Marilyn Waring, Professor of Public Policy, Institute of Public Policy, AUT. Ph. 09-921-9999x9661; [marilyn.waring@aut.ac.nz](mailto:marilyn.waring@aut.ac.nz) )
- If you have any concerns about the way we are doing this research, please contact the Executive Secretary, AUTEK: Dr Rosemary Godbold; 09-921-9999x6902, [rosemary.godbold@aut.ac.nz](mailto:rosemary.godbold@aut.ac.nz) .

*Approved by the Auckland University of Technology Ethics Committee on 4th October 2012. AUTEK Reference number 12/183.*

*Note: The Participant should retain a copy of this form.*

## Appendix 14 Transcriber Confidentiality Agreement

# Confidentiality Agreement

*Project title:* The Metropolitan Auckland Project: Implications for Regional Economic Development, Governance, Policy and Practice.

*Project Supervisor:* Professor Marilyn Waring

*Researcher:* David Wilson

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- ☐ I understand that all the material I will be asked to transcribe is confidential.
- ☐ I understand that the contents of the tapes or recordings can only be discussed with the researchers.
- ☐ I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's ..... signature:

Transcriber's ..... name:

Transcriber's Contact Details (if appropriate):

.....  
.....  
.....

Date:

Project Supervisor's Contact Details (if appropriate):

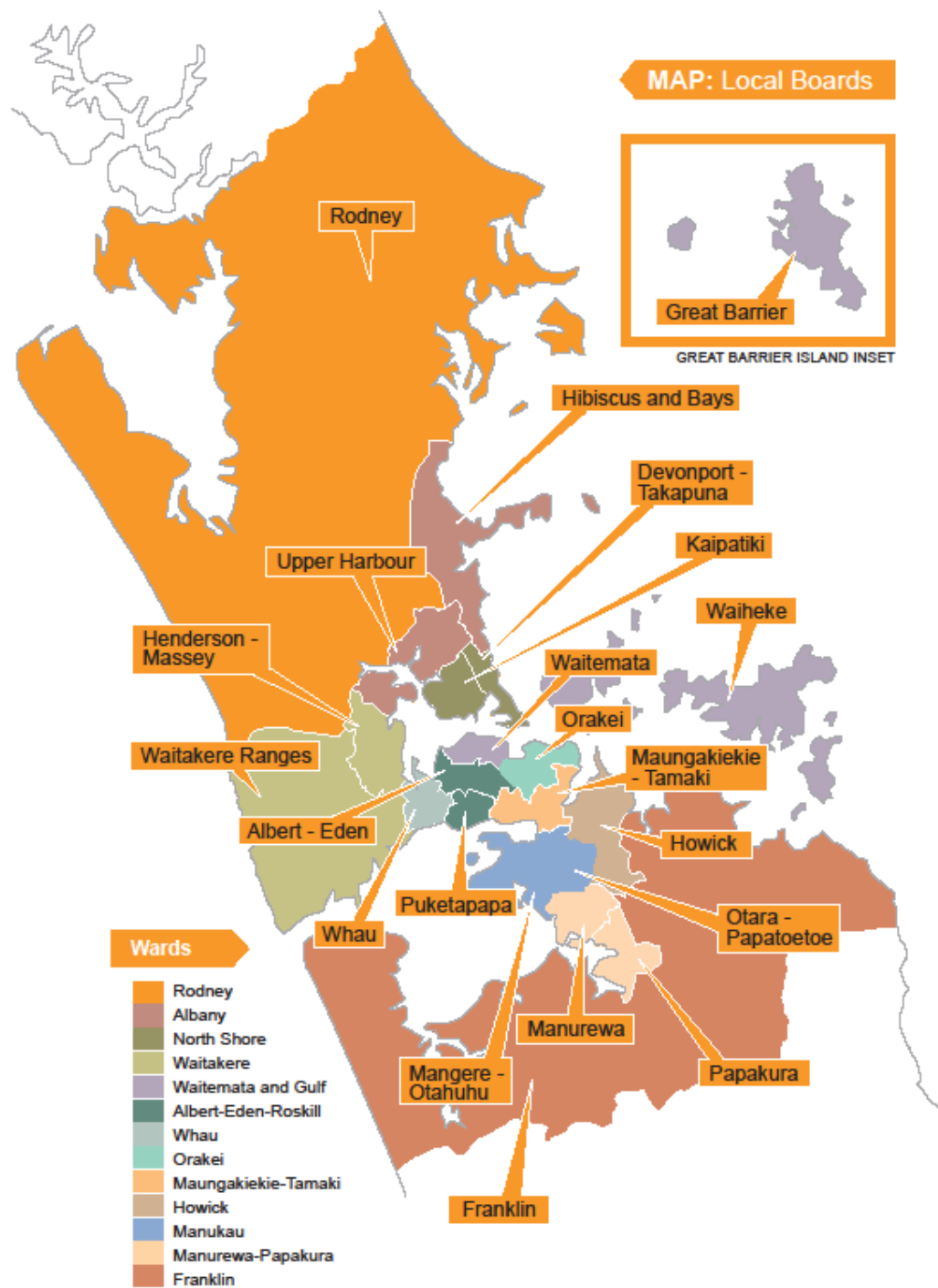
Prof Marilyn Waring, e-mail: [marilyn.waring@aut.ac.nz](mailto:marilyn.waring@aut.ac.nz)

Ph. 09-921-9999 ext 9661 .....

**Approved by the Auckland University of Technology Ethics Committee on 4<sup>th</sup> October 2012 AUTEK Reference number: 12/1283**

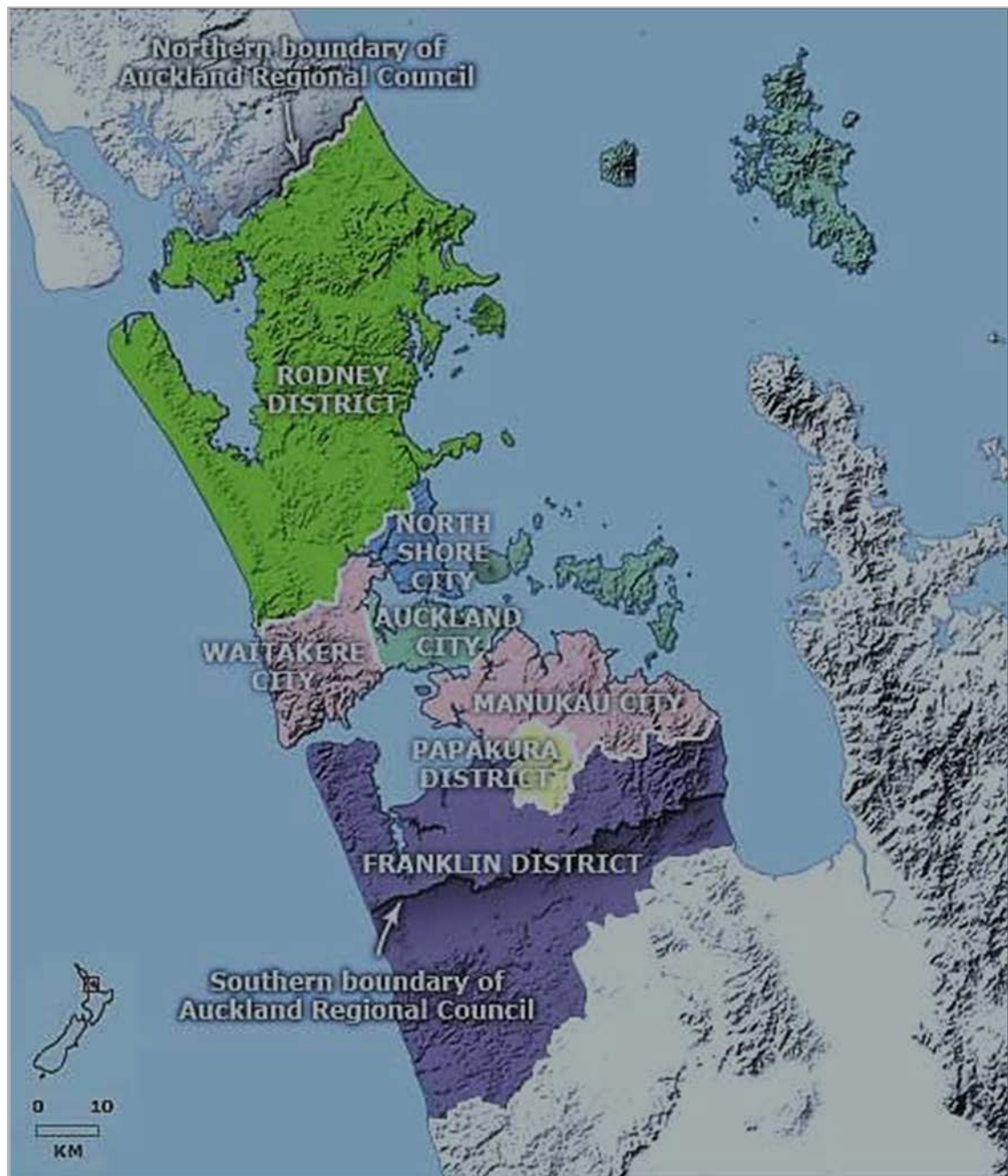
*Note: The Transcriber should retain a copy of this form.*

## Appendix 15 Map of Local Boards and Wards in Auckland 2016



Source: <http://www.teara.govt.nz/files/31>

## Appendix 16 Map of Auckland's Seven Territorial Authorities and the Auckland Regional Council Boundaries 2009



Source: <http://www.teara.govt.nz/files/32>

## Glossary of terms

ACC	Auckland City Council (before amalgamation one of seven TLAs)
AC	Auckland Council (unitary council post-amalgamation)
ANVT	Auckland New Ventures Trust
APO	Auckland Policy Office
ARC	Auckland Regional Council (prior to amalgamation)
AREDA	Auckland Regional Economic Development Association (Association of Auckland EDAs and the Pacific Business Trust before amalgamation)
AREDF	Auckland Regional Economic Development Forum
ARTA	Auckland Regional Transport Authority (before amalgamation)
AT	Auckland Transport (post-amalgamation)
ATEED	Auckland Tourism Events and Economic Development
AUT	Auckland University of Technology
BCG	Boston Consulting Group
CA	Competitive Auckland
CCO	Council Controlled Organisation
CfA	Committee for Auckland
CMID	Centre for Māori Innovation and Development (AUT)
CMO	Context-Mechanism-Outcome
CMOc	Contest-Mechanism-Outcome configuration
CRI	Crown Research Institute
CoC	Chamber of Commerce
DoL	Department of Labour
IEDC	International Economic Development Council
EDA	Economic Development Agency
EMA	Employers and Manufacturers Association
EW	Enterprise Waitakere
ENS	Enterprise North Shore
EM	Enterprising Manukau
EU	European Union
FDI	Foreign Direct Investment
GIAB	Growth and Innovation Advisory Board (Central Govt advisory board)
GIF	Growth and Innovation Framework
GUEDO	Government Urban Economic Development Office
GFC	Global Financial Crisis
IPP	Institute of Public Policy (AUT)
LEED	Local Employment and Economic Development Forum, OECD
MfE	Ministry for the Environment
MoT	Ministry of Transport
MED	Ministry of Economic Development
OECD	Organisation for Economic Cooperation and Development
NGT	New Growth Theory
NEG	New Economic Geography
MAP	Metropolitan Auckland Project
MUL	Metropolitan Urban Limit
NSCC	North Shore City Council (before amalgamation)
NZCID	New Zealand Council for Infrastructure Development
NZTE	New Zealand Trade and Enterprise (Government department)
PBT	Pacific Business Trust
PPP	Public - Private Partnership



R&D	Research and Development
RDA	Regional Development Agency
RED	Regional Economic Development
REDA	RED Agency
REDT	Rodney Economic Development Trust
RIS	Regional Innovation System
TLA	Territorial Local Authority
TPK	Te Puni Kokiri (Ministry for Māori Development)
UofA	University of Auckland
WCC	Waitakere City Council (before amalgamation)