



In reading Randall Denley's recent comments<sup>1</sup> about Ottawa's economic development strategy being no strategy at all, I was once again struck by the fact the City just doesn't seem to get it. It just doesn't seem to understand that economic development in today's globalized marketplace is primarily about intra-regional *cooperation*. That cooperation is essential to create a base of regional competitive advantage that can not be easily imitated by firms elsewhere. To create that regional advantage the City, as economic developer, must act primarily as a facilitator and broker to bring about the cooperation of others. It is not about divining the perfect plan or imposing it on local businesses and institutions.

Ottawa has no major resources of consequence to offer -- no oil, no iron, no timber, etc.. Ottawa is not a major port or transportation hub. Ottawa's population ranks as the 483<sup>rd</sup> largest in the world -- not a particularly compelling size for a stand-alone market. Yet for its small size it does have a comparative advantage from a lot of well educated people. These people have also had a history of producing some good ideas, interesting technology and on occasion some very profitable businesses. However, these days talent, ideas, technologies, even business models can be easily duplicated or reverse engineered in 6-12 months. What that means is that there is nothing in Ottawa (aside from the federal government) that can provide even a modicum of lasting comparative or competitive advantage.

Nothing that is except the complex system in which we choose to organize ourselves as a community to deliver value. That system, technically referred to as a regional innovation system, includes:

- how we develop, attract and retain talent,
- our culture of entrepreneurship, of risk taking and of sharing resources and knowledge,
- the incentives and/or disincentives we apply to businesses that may be tax or non-tax related,
- the formal and informal links between our postsecondary institutions and businesses,
- the quality and affordability of our homes,
- our access to recreational opportunities and the attractiveness of our natural environment,
- the safety of our streets, and
- the overall quality of our life.

Such a multi-faceted system requires the orchestration of many activities and many interests. The City, unfortunately, has become confused in its development role. It has relinquished its brokering and stewardship role to facilitate development, in favour of assuming a leadership

mantle to try and direct development. But in so doing, it often presents itself not as a partner in local economic development but as a competitor or sometimes even as an obstacle.

That some “industry leaders haven't been asked to help” should be of no surprise given Denley’s observation that “councilors seem to fancy themselves experts” in economic development. The thing about experts is that they have tin ears. You can’t tell them anything because they feel they have nothing to learn. And to experts stakeholders are a big nuisance. They are complainers, advocates, whiners, obstructionists and time wasters -- people who should just get out of the way and let the experts get on with implementing solutions. The idea that both councilors and bureaucrats style themselves as experts is fanciful. But that they then forget that they are supposed to be agents working in the interest of these same “stakeholders” is inexcusable.

As a consequence, stakeholders are generally not considered as real partners or potential co-creators of Ottawa’s economic possibilities. In all fairness, however, it is an attitude encouraged by many business leaders themselves who are of the view that the payment of taxes absolves them of any responsibility for attending to the future of Ottawa’s economy or community. But regardless of the cause, this attitude constrains innovation and effectiveness by limiting the understanding and the resources that can be directed at any given problem or opportunity.

The City does have a history with economic development partnerships, although not always a good one. In that history it is easy to point to partner disagreements, lack of trust, unproductive committee meetings, and stalled action and say piously “no more inefficiency”. But rather than improving its collaborative process so that common ground can be found among legitimate claims in conflict, the City seems to prefer conflict free zones and pabulum solutions.

For instance, to avoid potential conflicts in economic development, the City has been “seeking the advice” from exactly five people! While five people represents a workable management team, they can hardly be expected to represent the economic development aspirations of half a million workers and businesses in Ottawa. Nor can they be expected to make commitments on behalf of those same workers and businesses. Thus I suspect Rob Jellett was being a bit sardonic in suggesting that the developers’ recent complaints can be resolved by consulting them as “stakeholders”. What difference will that mean? My guess is not much.

As we saw play out in the consultations around the Lansdowne Park development, this typically means that the City pretends to listen and the public pretends that their input will have an impact. Where stakeholders are involved, they are encouraged to act as advocates rather than as contributors to a shared solution, the better for the City to be seen negotiating tradeoffs in a zero sum game rather than in promoting local ownership, stakeholder learning, and shared commitment to synergistic outcomes.

On the other hand, if the City was honest about engaging people they might determine why, how, and under what circumstances business leaders and community groups might be willing to be engaged. Otherwise, the City will be unable to deliver the fundamentals of good engagement practice, which are:

- ensuring adequate access to relevant information;
- providing multiple avenues for people to engage in;

- ensuring dialogue and a two-way conversation; and
- demonstrating to citizens that they are actually being listened to.

Denley suggests that “There is no excuse not to listen”, but there is also no excuse to pretend to listen either. Why would anyone voluntarily waste their time in such an effort?

To really engage its stakeholders and the public, the City needs to believe that its business and institutional leaders have something valuable to contribute and it must be willing to treat them as authentic partners. It has been a while now since that sort of thing has happened in Ottawa.

As Denley described, Ottawa’s existing "strategy" is “a bunch of useless generalities”. Why? Because a targeted strategy requires a sense of future possibility, of where the community wants to go. No such vision has been in evidence in Ottawa for quite some time. We create visions and then disregard them. We establish principles and then ignore them. The City’s policy seems to be, “never let visions get in the way of expediency”. And this happens again and again because the only one making a commitment is the City or at least that’s how it is perceived.

What is truly absent in Ottawa’s economic development strategy is a sense of the shared possibility that must of necessity animate an effective economic development strategy. Such a vision is grounded in mutual understanding and implemented by the mutual commitments made among those who choose to live into that shared future. Such understanding, commitments and vision, only emerge from culturing a sense of belonging not from exclusion; from fostering ongoing dialogue among stakeholders not from shutting it down.

From this perspective, the City’s core economic development focus has to be grounded in efforts towards building a community -- because in the end it’s the community that will create the future. But as Caroline Andrew recently pointed out,<sup>ii</sup> "the leadership that makes other cities work is bigger than the public sector. It is a coalition with the private sector and civil society, which Ottawa doesn't have." The sense of togetherness is sorely lacking.

Diversification away from the federal government and developing an economic base founded on clean energy and environmental friendly technologies is a development choice and probably a reasonable one. But it will be a choice made by the people and businesses of Ottawa (if it is made at all) not by City councilors or bureaucrats. What the City can and should do, however, is invest more in the conversations between people that bring them together. Yes it may messy and it may take time. But it’s a necessary investment if you’re going to build a community rather than an infrastructure.

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<sup>i</sup> Randall Denley, “[Ottawa's economic development strategy is no strategy at all](#)”, *The Ottawa Citizen*, Feb. 14, 2010

<sup>ii</sup> Mohammed Adam, “[What's wrong with this city and how it can be fixed](#)”, *The Ottawa Citizen*, November 16, 2009