

# **“Managing for a Prosperous Auckland? Critical Reflections on Regional Interventions for growing New Zealand’s Economic Centre”**

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## **Abstract**

In the context of a peripheral, small and largely resource-based economy, New Zealand’s policy makers face the key challenge of facilitating local-global economic connections of firms and regions. Auckland, New Zealand largest city-region, has become a key site for policy development and institutional creativity in this context recently. This paper provides critical insights from a doctoral dissertation into the changing institutions, state processes and policy practice that have characterised regional economic intervention into Auckland’s economy under neoliberalising political-economic conditions over the last decade. It asks to what degree these developments may have contributed to a more effective management of the regional economy, and highlights problem areas and tensions. It is hoped that this academic analysis stimulates critical reflection amongst practitioners and theorists engaged in regional policy development, policy-relevant research and strategic economic interventions at a sub-national geographical scale.

## **Introduction**

How can Auckland become a globally competitive city is an often asked question in New Zealand’s economic development policy arena today. This paper attempts to show the possibilities and limits of influencing Auckland’s economic growth through public policy initiatives and political efforts by exploring regional development policy initiatives of the last decade from a critical social science and geographic perspective<sup>1</sup>. It pays attention to the changing institutional arrangements, actor relationships and policy processes surrounding the work of the Auckland Regional

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<sup>1</sup> This paper draws on findings from doctoral research on the topic of “Economic Governance for a Globalising Auckland? Political Projects, Institutions and Policy”, undertaken at the School of Geography, Geology and Environmental Science at the University of Auckland; see Wetzstein (2007a).

Growth Forum (RGF), the business-driven policy campaign of ‘Competitive Auckland’, and centrally, the Auckland Regional Economic Development Strategy (AREDS). It highlights key characteristics about the nature and development patterns of regional interventions in this moment of Auckland’s and New Zealand’s history that is marked by neoliberal political-economic conditions. It is hoped to stimulate critical thinking among theorists, strategists and practitioners concerned with Auckland’s and New Zealand’s economic growth.

The international literature stresses that under a neoliberal political-economic framework, regional and urban economic management is said to have changed markedly. Key theoretical approaches that attempt to account for these transformations come from the regulationist tradition (Jessop, 1998; Peck and Tickell, 2002) and from the new regionalist school of thought (Florida, 1995; Amin, 1999), while an alternative interpretation is provided by governmentalist (Rose, 1999; Lerner 2001; Painter, 2005). A common aspect of these diverse literature strands has been the increasing emphasis on ‘joined-up’ governance arrangements such as public-private partnerships, and partnerships in general (Jonas and Ward, 2002; O’Neill and McGuirk, 2003; McGuirk, 2004; Le Heron and McDermott, 2006).

New Zealand is a valuable site for researching economic management issues because of the far-reaching neoliberalisation of state and society following the radical reforms and restructuring of the 1980’s and early 1990’s in which the state had moved from directive and supportive forms of intervention to facilitative forms (Jessop, 1990; Britton *et al.*, 1992; Le Heron and Pawson, 1996). Auckland’s overall restructuring experience had been predominantly one of economic growth, not of decline. The RGF, as a first major regional policy initiative, can be understood as trying to deal with the regional costs of immigration-mediated economic growth. The end of the 1990’s, however, illustrates the unsustainable quality of this growth as it was largely based on population growth and local consumption, not on productivity gains. While international migration and rising imported goods have become an expression of intensifying local-global links, recent analyses have highlighted the increasing economic marginalisation of Auckland in terms of exporting activity, the role as a physical gateway between New Zealand and the world, and in servicing the country as a business hub (Le Heron and McDermott, 2001). Other policy challenges include

pressures on land and infrastructure, social polarisation, rapid cultural diversification, environmental degradation and heritage loss.

This paper investigates what the emergence of new regional, or region-wide focused, institutional arrangements in Auckland in the post-restructuring period (from the mid-1990's until the mid-2000's) reveal about contemporary regional economic interventions as responses to these new policy challenges: the patterns of institutional transformation, the alignments between actors and their governmental effects, and the policy practices at work. Using a case study approach, a range of methods were used to access data: interviewing key actors in a total of 57 semi-structured interviews<sup>2</sup>, re-interpreting policy text such as strategy documents and minutes of officer meetings, and the critical observations and experiences of the author<sup>3</sup>. It is shown that reconnections in a fragmented institutional landscape occurred in multiple and heterogeneous ways, that the central state became the key actor in Auckland's regional economic development, and that in an environment of policy complexity alignments of governing interests were largely of discursive nature, and thus did not directly affect private sector investment decisions. In combination, these findings allow a careful assessment to be made about the difference current policy work makes to changing economic outcomes for New Zealand's largest city-region, and thus indirectly to New Zealand's future prosperity.

## **Introducing Key Regional Actors**

Over the last couple of years, proliferating intra-state and state-business relations on Auckland's regional scale have increasingly taken the form of networked institutional arrangements (see Table 1). They involve both the central and the local state level as well as particular business interests, dependent on the policy context. A first important regional institutional arrangement of this nature was the Regional Growth Forum (RGF), a co-operative partnership between the Auckland Regional Council (ARC) and the region's local territorial councils that examines the options and alternatives for future population growth, and manages its effects on the environment, infrastructure and local communities. It developed a Regional Growth Strategy (RGS)

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<sup>2</sup> The interviews were conducted with professionals in decision-making and strategic planning capacities from across the state, business, community and academic sectors.

<sup>3</sup> The author has been a participant in a range of policy initiatives of Auckland's local and regional government in the roles of researcher, policy analyst and facilitator. He worked, for example, on business and employment aspects of the RGS as well as in implementation planning for AREDS.

that deals with the management of the *effects* of rapid population growth and associated land and property development, and is not concerned with *stimulating* growth and development (RGF, 1999). The RGF can be understood as a regional collaborative political and policy model that served as a blueprint for the Auckland Regional Economic Development Group (AREDG), a regional initiative that emerged around 2000 as a forum to mobilise Auckland's economic development on a regional scale. The emergence of this local state project had been strongly influenced by the failed bid to attract overseas investment in form of High-Tech research facilities by US-manufacturer Motorola. The region had missed out to an Australian competitor location partly due to its uncoordinated approach to presenting the Auckland region as a competitive business location.

The gathering momentum of corporate relocations from New Zealand to Australian cities mobilised a property investor to set in motion a third key governing initiative around 2000. The 'Competitive Auckland' project (Competitive Auckland, 2003) aimed at both, raising the awareness of Auckland's globally referenced economic underperformance, and influencing state institutions to promote Auckland globally. This group represented developers and associated interests that benefit from place-based regeneration and investment strategies, but it also included higher education and financial sector interests. This initiative coincided and intersected with a new partnership approach of a Labour-led central government to governing economy and society (Larner and Craig, 2005). The 'region' was rediscovered as a legitimate scale of intervention in a political programme aimed at reconnecting the economic and social spheres<sup>4</sup>. This partnership approach to regional economic development planning was based on an understanding that central government has a role in facilitating regional development to help regions respond to local opportunities, facilitating learning and co-operation among regional groups, and improving their understanding of the value of locally driven development (Dalziel and Saunders, 2005). The main vehicle for implementing this policy was the Regional Partnership Programme (RPP).

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<sup>4</sup> Regional Policy in New Zealand is of cyclical nature. In the 1970's and 1980's it appeared in various guises as part of party-political projects. Regional intervention was absent during the neoliberal reforms and the early post-restructuring years.

**Table 1: Overview of Key Governing Initiatives in Auckland's Regional Economic Space**

<i>Institutional Arrangement; Political/Policy Initiative</i>	<i>Regional Growth Forum (RGF)</i>	<i>'Competitive Auckland'</i>	<i>Auckland Regional Economic Development Strategy (AREDS)</i>	<i>Central Government's Regional Economic Development Policy</i>
Genesis	Legal battles between local councils and the ARC	Awareness of 'business flight' through rising commercial property vacancies	Intersection/interactions between AREDG, Competitive Auckland and RPP	New policy direction under Labour-led central government in 1999
Purpose	Ease population growth pressures on Auckland through intensification land-use policies; counter antagonistic institutional relations in local state	Address economic under-performance of Auckland; campaign for changed economic management arrangements, in particular for a regional development agency	Reintroduce a strategic policy approach to Auckland's economy; counter institutional fragmentation and competition	Reestablish regional capacities for economic interventions; rebuild institutions and trust among actors in regional contexts
Key institutional sites	Local state (ARC, Auckland's local councils)	Auckland business community	INZ/NZTE, 'Competitive Auckland', ACC, ARC	Central state - MED, INZ, NZTE
Key interests	Councillors and planning professionals of local councils and ARC	Commercial property developers, educationalists, management consultants	Central state, Auckland's local state, other co-opted interests	Minister of Economic Development, state economic development professionals
Key people	Chairperson ARC	Ex-corporate leader, commercial property investor	Retired business leader; Mayor of Manukau City	Minister for Economic Development
Key moments	Strategy launch 1999	Public Fora in 2001	Strategy launch 2002	RPP launch in 2001
Time period	Strategy development phase from 1996 to 1999, implementation phase from 1999	2000-2003, transformed into 'Committee for Auckland' initiative in 2003	2001-2005, regional economic development planning currently in different form under ARC	2000-current
Geograph. Scale	Regional	Regional	Regional	National

Source: Author

Note abbreviations:

ACC - Auckland City

ARC - Auckland Regional Council

AREDG - Auckland Regional Economic Development Group

AREDS - Auckland Regional Economic Development Strategy

INZ - Industry New Zealand

MCC - Manukau City Council

MED - Ministry of Economic Development

NZTE - New Zealand Trade and Enterprise

RGF - Regional Growth Forum

RPP – Regional Partnership Program

Finally, there was the AREDS<sup>5</sup> initiative (AREDS, 2002; Rowe, 2004), the key case study for this paper. As an outcome of the intersections and interactions of the outlined political initiatives and policy trajectories, it constituted the institutional arena through which regional economic development planning was put on the regional intervention agenda in Auckland. The AREDS strategy development process in 2001 and 2002 was widely viewed as a success as it produced a 20 year strategy for facilitating a prosperous Auckland based on intensified global economic connectivity and a responsive state. In the interim period between 2002 and 2005, informal governance arrangements centring on the ARC co-existed with a closely defined, formally governed and central state framed strategy implementation process. Today's regional economic development framework consists of more networked institutional arrangements on a strategic level (with some private sector involvement), complemented by a service-focused regional trust in charge of investment attraction, regional promotion and facilitating regional projects. Strategic work under AREDS has reemerged and gained momentum very recently under the ARC-led 'Metro Auckland Project'.

### **Changing Institutional Arrangements in a Fragmented Neoliberal Landscape**

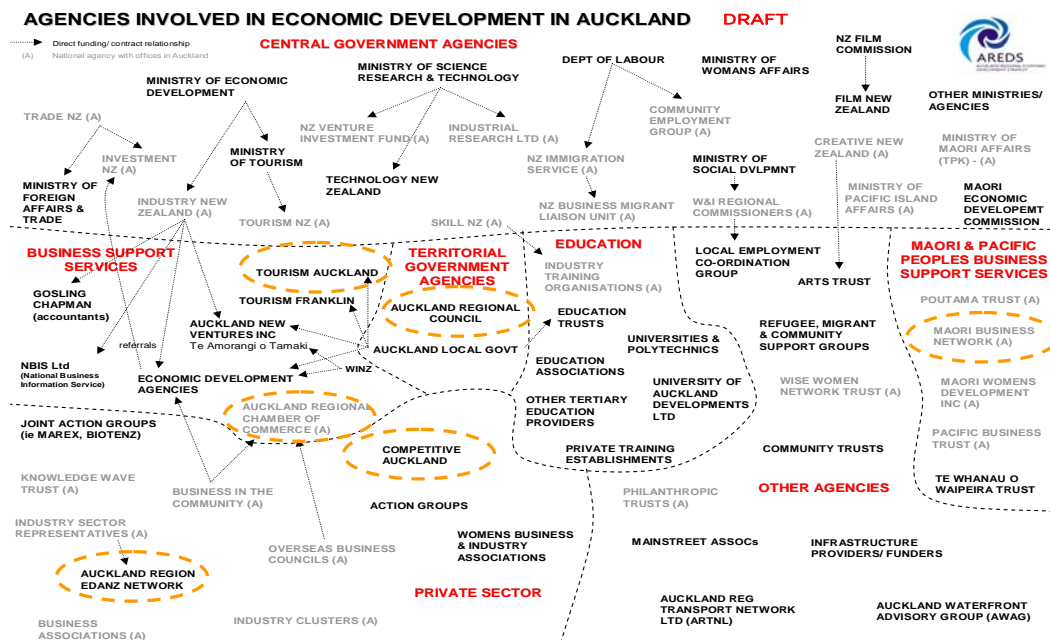
Under neoliberalisation, a smaller, corporatised and fragmented central state apparatus emerged in New Zealand (Boston *et al.*, 1996). Importantly, it removed itself from direct economic management in the regions. Under a Labour-led coalition, the inherited widespread institutional fragmentation and resource competition of the state apparatus was one of the first issues to be addressed. Since then, state processes and practices have been re-designed under a 'joined-up-government' approach (Schoellmann and Nischalke, 2005). In Auckland, a notoriously fragmented local state has been consolidated under new layers of legislative reforms over the last two decades. At the same time, the local state grew more complex to include many quasi-autonomous actors that constitute a complex institutional system of local governance guided by a competitive rule-set.

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<sup>5</sup> The politics behind AREDS is complex and this paper offers limited scope for discussing this issue. For a comprehensive analysis of the politics on regional economic governance processes in the Auckland context, see Le Heron and McDermott (2007).

Figure 1 shows the large variety of local organisations that have a role in planning and providing economic development services to Auckland's businesses and communities. These organisations include central government agencies, business support services, territorial government agencies, private sector organisations, Maori and Pacific Island focused agencies and education providers (Stannard, 2002). Often in contractual principal-agent like relationships with each other, they make up a diverse and fragmented institutional terrain of economic development intervention in Auckland. Overall, the degree of institutional complexity is striking.

**Figure 1: Auckland's Key Economic Development Institutions and Linkages in 2001**



Source: AREDS (Stannard, 2002)

The shortcomings of institutional fragmentation and the costs of antagonistic local state politics triggered the emergence of networked and collaborative regional management arrangements. In the earlier post-restructuring years, local state networks had been the unplanned answer to the gap left by central government and the rising problems of relying heavily on market arrangements in coordinating economy and society. More recently, experimental and deliberately networked forms of regional management incorporating many non-state actors have emerged and been developed as tools for governing Auckland's economy (Wetzstein, 2007b).

Central government discourses and emerging practices not only emphasised re-connections within the central state apparatus. In order to improve the capacities for intervention in economic and social processes in New Zealand, connections had to be

forged between central state and local state actors as well as non-state interests because governing resources are shared between these different institutions. The political project of 'partnerships' was seen as an appropriate political strategy to achieve this objective. In Auckland's regional economic development policy arena, AREDS was the first project that was considered a partnership. It featured a multiplicity of institutional arrangements, organisations and temporary structures that emerged throughout the initiative. In different phases, varying institutional arrangements were set-up to do particular work for Auckland. The nature and form of linkages and relationships between them were changing over time. At any given time, they were constituted as a specific mix of hierarchical, contractual, advisory and communicative forms of relationships. Networked and more hierarchical forms of governing were enmeshed in different ways, conveying a sense of complexity

The AREDS trajectory demonstrates that regional economic management is expressed in a number of contingently formed ways, which means that developments could have gone in different directions if conditions and particular circumstances for decisions would have been different. During the interim phase, it can be shown how regional economic intervention in Auckland is contingent on past institutional designs that act as a reference point for current governing decisions (the interim organisational arrangements had been largely modelled on existing regional governance models, in particular on the 'Infrastructure Auckland' organisation). Rather than a centrally planned political and policy project that is sequentially realised, AREDS can be better understood as an emergent set of processes that feature institutional experimentation and constant re-alignments of actors in search for a more effective management of Auckland's economy. The survival of regional economic intervention planning after AREDS in form of the new institutional and project structures under the ARC highlight the capacity for regional institutional learning that is possible under current conditions.

## **'Returning' Central State and (Non) Alignments of Interests**

### **Central State Re-population of Auckland**

The New Zealand's central state has become the most important actor in attempts to manage New Zealand's largest regional economy. It is the primary agent in constructing Auckland's economic intervention context as it influences subnational



economic management, for example, through promoting public - private partnerships. But the contemporary economic challenges are not met with a central state that only manages the *context* of interventions into Auckland's economy. The current political-economic moment is characterised by a more direct involvement of the central state as a key actor in governing economic activity at a subnational scale. The current reconnections under 'joined-up-government', new central-local state relationships, strategic institutional alignments in its bureaucratic apparatus as well as increased local representation can be seen as signs of a re-worked central state aiming to intervene more directly in economic affairs in Auckland.

AREDS can be understood as a space in which local multi-actor governing networks are activated and co-opted by the central state. It is a networked management arrangement involving central state, local state and business interdependencies - each representing its own networked interests. These actor networks brought a particular mix of resources to this initiative. Yet, these regional economic management changes occurred not free of contradictions and tensions, but rather in contentious fashion. So is the ARC's regional development group now part of economic planning processes which was not the case before. But at the same time, there seems to exist no real link between their work and that of New Zealand Trade and Enterprise (NZTE) and the Government Urban and Economic Development Office (GUEDO). Auckland's current repositioning towards a more central place in national policy discourse and practice has limits, as New Zealand's central government will always tend to pursue policies aimed towards spatial equality. As it deals with the regulation of capitalist forces, regional intervention is deeply contradictory, as observable in the tensions within the Growth and Innovation Framework (GIF), between GIF and sustainability frameworks as well as the many absent discourses and discursive silences in Auckland's regional economic management world such as those concerning the 'sunset industries' and small and medium-sized businesses.

### **(Non) Alignments of governing Interests and Investors**

Actors involved in economic management initiatives in Auckland during the post-restructuring period constructed their world in multiple ways. They perceived their environment - the social, economic, cultural and environmental conditions facing Auckland and the possibilities for intervention - often very differently. Despite the heterogeneity of the assumptions and interpretations, areas and degrees of alignment

can be discerned and analysed. Through participation in projects such as the RGF, AREDS and 'Competitive Auckland', assumptions about economic and governing processes were shared among actors, leading to discursive alignments of interests across institutional and geographical spaces. Through the wider influence of policy discourses debates and opinions were shaped in particular ways. For example, over recent years commonalities around Auckland's importance for New Zealand's economic growth emerged, based on its primary role in sustainable urban development, local-global connections, attracting creative people and innovative economic activity. Personal and institutional networking too led to shared understandings of the world, and of the place of actors within it. People and organisations started to think in similar terms, and this has implications for regional economic management.

The immediate effects of these discursive alliances have been changed relationships between some state actors, and new institutional arrangements in particular sites of the state-regulatory apparatus. Some council interests for example have developed a more coordinated approach to policy development in the areas of transport, land-use and lately economic development as a result of having been involved in such initiatives. Relationships between state actors in Auckland and in central government have intensified over recent years. In addition, new research and knowledge production trajectories have emerged that begin to challenge established practice in policy development. Thus, interventions into Auckland's post-restructuring economy resulted in a changed state; in new policy assumptions among some of their personnel, new and transformed relationships between fragments of the state, the emergence of new organisations, and the development of new governing capacities.

New regional governing arrangements have had effects on public investment. For example, the public-private initiative of the Auckland Transport Action Group (ATAG) was critical in unlocking central state investment. The presentation of a united local interface in lobbying for public sector re-investments into Auckland centrally contributed to central government's commitment to an 'Investing for Auckland package', a strategic initiative to channel \$900m crown contribution to Auckland's transport sector over the next 10 years (New Zealand Government, 2003). But what has been the work of a decade of what appears to look like intense institutional experimentation in post-restructuring Auckland in regards to private

investment? One possible way to probe the success or failure of new economic management arrangements is to examine the number and the depth of connections made between key actors. Given the ambition of AREDS to alter the flight path of Auckland's regional economy, it had surprisingly few connections to the business world. Engagement with the more traditional business institutions such the regional Chamber of Commerce and the Employer and Manufacturer's association can be considered sub-optimal. Connections to the corporate world were largely absent. Equally, no bundles of small investors were mobilised in any significant way.

Furthermore, no effects of contemporary economic management on private investor behaviours are known to date. According to the actors themselves, AREDS has not directly affected investment changes among public and private actors (Local business leader 1, 2004), and 'Competitive Auckland' did not affect investment decisions as well (Local business leader 2, 2004). The big infrastructure providers and land developers Auckland International Airport and Ports of Auckland, too, were not directly affected by the work of AREDS (Private sector executives 1 and 2, 2004). As material effects of Auckland's regional policy developments on private investment can not be demonstrated, it can be claimed that in New Zealand's neoliberalising context the mediation of economic processes is largely discursive, or of a non-material nature. The attempts to develop a partnership model in Auckland's economic development planning have not really made a difference to the fundamental difficulty of influencing investment decisions under contemporary political-economic conditions.

## **Reflections on Auckland's Regional Policy Processes**

### **Policy Complexity and Influencing Actors' Goal-Settings through Discursive Techniques**

In the New Zealand context, policy aspirations have been re-oriented from outputs to outcomes, a development that contrasts with an emphasis on both, directly measurable and often quantifiable outputs that prevailed over the last two decades, and a concern with inputs in prior decades. Policy complexity is further enhanced by trends towards the integration of outcomes in current discourses. Terms such as 'sustainable development', 'quality of life' and 'economic wellbeing' link together separate policy objectives and create phrases that produce new meanings (Dalziel and Saunders,

2004). The shift towards outcome-focused policy frameworks aiming to align policy and resource allocation goals of a multitude of actors has produced both, more complex economic management and a more complicated public policy world over recent years.

A key objective of current policy initiatives is the mobilisation of actors and resources by focusing on actors' goal-settings in regards to governing and investment. This is attempted through a number of governing techniques that work through discursive, or non-material, means. Three such practices are outlined in more detail; 'story-telling', global benchmarking and indicatorisation (see also Wetzstein, 2007c). Circulating stories construct Auckland's performance in economic, social, cultural and environmental arenas. They are now central ingredients of political strategies to intervene into the regional economy. Telling narratives in order to inspire and mobilise other actors has become a key governing technique to achieve desired effects in complex and interdependent policy arenas. Important tools in telling stories that others can buy into are an appeal to visions and broader aspirations, the use of persuasive and emotive language, and the mobilisation of imagination and new imaginaries. In Auckland's economic intervention space, multiple stories are activated and circulating at any time. One discourse for example constructs Auckland as a coherent city rather than a fragmented region. In this context, a diverse coalition of interests including Auckland City Council politicians and local business leaders have placed an emphasis on the Central Business District, heritage questions, global economic comparisons and ceremonial moments in public life that together represent Auckland as a unified, urban, sophisticated and global city-region. On the other hand, Auckland is continually being depicted as a non-coherent, divided and competing place of many sub-regions by local growth coalitions consisting of local councils and developers.

Global benchmarking, a calculative practice representing a second key technique in contemporary policy practice, can be associated with the imagining of globalising links, flows and relationships incorporating Auckland. According to Larner and Le Heron (2004) it is the potential to assemble and translate measurements relating to the performance of other actors in near and far places that makes benchmarking a globalising practice. Benchmarking has become a 'buzzword' for industry, government and individuals who aspire to be 'world-class'. It can also fuel and give

content to inter city competition for investment and people (Wetzstein and Le Heron, 2003). This technique has been vital in the constitution of governing thought in Auckland's recent policy initiatives. For example, the rationale for 'Competitive Auckland' to start its campaign was the realisation among its members that Auckland's economic performance over the past decade had been poor relative to that of benchmark cities. Their research on problems and potential solutions to Auckland's perceived institutional deficits had been based on international benchmarking derived from case studies conducted in the United Kingdom, Canada, USA and Australia. AREDS has used benchmarking as a means to construct Auckland as part of the Asia-Pacific region (NZIER, 2002). Finally, policy work in the ARC has been increasingly guided by benchmarking exercises and global case studies to inform local decision-making processes.

A third technique to affect actor perceptions has been the related trend towards the increasing use of indicators in economic management practice (MED, 2003; MSD, 2005). They have become widely accepted as tools to measure strategic action in New Zealand's and Auckland's policy environment. They emerge in various governing sites such as central government entities, organisations of Auckland's local state, and private consultancies. The objects that are measured through indicators are observable dimensions of economic, social, environmental, cultural and institutional processes. New indicator developments increasingly aid to make associations between these different processes. As indicator-based practices are constitutive of new domains for economic management, they help to bring into being new spaces of calculation that make sustainable economic activity thinkable. Indicators representing economic processes and economic relations are now constructed as part of an integrated framework of development that has in its centre the objective of sustainability. At the heart of this notion, overlapping economic, social, cultural and environmental processes are thought to be measurable in their interrelatedness and integration; and therefore imaginable in this way by actors.

### **Critiquing Current Policy Practice**

Several findings that can inform more effective policy making can be drawn from this research. A first observation points to the fact that policy actors tend to know their world through policy documents, rather than based on comprehensive in-depth analysis. AREDS and the 'Metro Auckland Project' for example, besides

commissioning targeted consultancy reports, largely used stock-takes of existing policy materials as a key means to produce new policies. An alternative way of actors' understandings was produced by the mobilisation of overseas 'experts' and their ideas. This 'cut and paste' practice is understandable, given the time and resource constraints of public policy personnel. One way of challenging this mode of policy development may be the promotion of an emerging role of a 'challenger' in urban and regional policy-making processes, for example through the activation of local actors from outside the policy world. The fast-paced and highly mediated policy world needs intrusion and destabilisation through external local actors. These influences may come from universities, but promise to be equally beneficial from various business and other non-state actor sides. Such developments may be easier achieved under current political conditions than under those prevalent a decade ago, as the neoliberal imperatives of financial and accountability criteria have been slowly broadened to allow more space for experimentation, collaboration and learning in policy development. This opportunity to widen the intellectual reference for policy making is, however, always vulnerable to political processes.

Another set of reflections refers to the production of knowledges for policy practice. This research highlights that need for more knowledges about economic, territorial and intervention processes that are *actor* and *relationship* focused. Quite often policy makers work with aggregated figures for industries and industry sectors, but miss what is happening on the level of the individual firm. This also means to break down the monopoly of the national scale in producing data on economic processes on sector basis, and to generate more data on an intermediate geographical scale, the regional one. A key role for policy-relevant research is to inform policy making by exploring and communicating how the complex actor decision-making context is made. While the interviews and observations that underlie this research project also show that governing interests and economic actors have some awareness of the context they are acting in, this is limited in terms of scope and complexity, and is often overtly veiled in bureaucratic and party politics. Methodologically, the demonstrable role of discursive governing practices calls for a mix of quantitative *and* qualitative methodologies in policy-directed research. No quantitative method in isolation can capture the complexity of regional economic management. Quantitative methods are important as they allow generalisations to be made, while changing assumptions,

values, attitudes, and behaviours are best understood by intensive, case-study based qualitative research. Both techniques need to be combined in complimentary fashion. Finally, there is an argument for the importance of spaces for cross-border and interactive knowledge production for policy. On people level this could be realised for example through the design of workshops and alternative university courses. On institutional level there is merit to explore and problematise the spaces within the triangle of government, academia and business/consultancy in this regard.

Contingent regional economic management of Auckland's economy means that developments could have gone in different directions if events, people and encounters had been different. This interpretation reduces chances of policy analysis to predict futures, and gives weight to theoretical and methodological approaches that stress openness, multiplicity and indeterminacy of negotiated regional change. One can go even further; policy capacities need to deal with issues of uncertainty and unpredictability, an approach that has already informed thinking in some quarters of Auckland's policy community. This means increasing responsiveness and flexibility to processes and events that lay largely outside the control of the policy community. In this context, it may be equally important for political actors and policy makers to adopt such new mindsets, as it may be to communicate their implications to stakeholders, communities of interest and the wider public.

Another reflection on policy practice concerns the issue of strategic relationship-building and engagement in dialogue. Widely distributed resources for economic management such as funds, political mandate, knowledges, skills, network access are distributed among many actors. These are drawn together to a considerable degree through associative practices such as project management, personal and institutional networking and leadership. In a highly mediated economic and policy world, actors need each other for attempts to change the ways firms, organisations, households and people make resource allocation decisions. Thus, strategic relationship-building is important; between multiple and disparate actors across geographical and institutional boundaries involving all geographical scales from the local to the global.

Selectivity is likely to be a more prominent feature in regional interventions in the future. The reach of policy into the work of firms and organisations is limited under current conditions. While in the 1980's and early 1990's 'privatisation' was the big overarching idea that guided interventions, these days policy makers for example

‘jump’ from ‘region’, to ‘growth industries’, to ‘productivity’, to ‘urban processes’ and to ‘events’ in order to affect economic performance. In this context, it is important to realise that effective economic management on a sub-national scale is about hard political decisions which involves creating new winners and losers. For example, the facilitation of an improved positioning of local actors in multiple global value chains will likely to be selective, and to a larger degree as before, customised to the particular context. Prioritisation will be needed to decide which fields, organisations and places are most important in spending economic development dollars on, and which ones will miss out. Will this money for example be spent to support manufacturers, projected growth industries, infrastructure providers, ports and airports, exporters, small business, or industry leaders such as Fonterra or Telecom?

A last reflection concerns the issue of up-scaling. This is about conceptualising spaces in which economic processes occur and coordination may be most suitable on a geographical scale higher than before; a shift from the local to the regional scales for example. It is about how actors-relationships are framed, seen as systemic and viewed as interdependent. This shift in perception is largely guided by the question how the global investor perceives places and opportunities in New Zealand. It is about increasing opportunities to exploit economies of scale among local economic actors. Phil McDermott Consultants (2006) for example make a case for understanding the northern north island as one economic system now; incorporating the Auckland and Waikato regions based on strong relationships between the urban, semi-rural and rural places. In the national policy transport area too, there is an understanding now of an economic interdependent and viable conurbation that stretches from Auckland to Taupo, an enlarged region “where energy is put in” (Central government agency regional manager, 2004).

Suggestions for the future of policy-relevant research have four dimensions. First, future research could help to unpack governing networks to shed light on the contingent relationships and interactions at work. Second, future research projects must look more critically at the ways investment conditions are actually reshaped by political and policy interventions through tracing governing effects in multi-method case studies. Third, there is a key role for social science research to inform policy making by exploring and communicating how actors actually make their investment decisions. Fourth and last, crossing institutional and disciplinary boundaries are



important ingredients for policy-relevant research as they create opportunities for challenging established knowledge production with policy applications.

## **Concluding Remarks**

This paper discussed several key issues around contemporary economic interventions into Auckland's economy. It outlined that the governing projects of the RGF and AREDG, central government's new regional economic policy framework as well as 'Competitive Auckland's work contributed strongly to the launch of AREDS. Regional economic coordination capacity has been assembled in contingently formed ways in this project, incorporating patterns of institutional experimentation, actor policy learning and contentious dimensions. A key actor in activating interests and resources as well as co-opting existing initiatives has been the New Zealand central state. The immediate effects of these governing activities have been new capacities, relationships and organisations of the state, new assumptions among some state personnel, and new public investments. Private investors - and therefore the key drivers of economic change - seem not to be affected however. The current regional economic policy world is complex, and governing is primarily attempted by influencing actors' goal-settings rather than by material incentives. Finally, current policy practice can, and should, be challenged in multiple ways.

These insights lead to the conclusion that current regional economic management in New Zealand resembles the country's largely unsuccessful 'indicative' planning approach to regional development of the 1960's<sup>6</sup>. Given the inability of current interventions to penetrate into private sector decision-making processes, it is not surprising then that the content of current regional initiatives such as the 'Metro Auckland Project' - after initially addressing issues relating to transforming Auckland's economy - focuses relatively quickly on issues such as infrastructure, land-use, events, living quality, heritage and environmental concerns (Metro Auckland Project, 2006). This finding gives weight to the notion that sub-national public policy and the processes of regional and urban governance under neoliberal

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<sup>6</sup>This policy framework for regional intervention in New Zealand saw some investors, although not even the most important ones, included in a dialogue on development objectives. While there was widespread discursive agreement, private investment decisions were largely removed from that political sphere, and therefore occurred largely unaligned.

conditions are more about the management of collective consumption and social reproduction than about matters concerning capital accumulation (Jonas and Ward, 2002; While *et al.*, 2004, Jonas and Pincetl, 2006).

The question in the paper title hints at two issues: sufficient wealth creation in Auckland's future, and the possibility of managing, or coordinating, these processes through policy mechanisms. While the former often forms the focus of interventions, the latter point is often somewhat taken for granted. But to what degree really can Auckland's future be managed in the current political-economic moment? It seems that the distant actor worlds between regulators and private economic actors have not, in any significant way, been brought into closer proximity in post-restructuring Auckland through policy initiatives such as AREDS. Management, control, or coordination capacity, seems very difficult to achieve. This question can also be answered from a different angle - by testing to what degree policy, institutional and relational developments have helped to address what the author believes is the key economic development policy challenge for Auckland and New Zealand in this point in time - the increasing participation of local actors and activities in the circuits, networks and chains of the globalising economy. While it can be argued that institutional capacities within the state-regulatory apparatus to affect globalising private sector processes have been enhanced, and policy knowledges are now available that allow political and policy actors to at least 'know what they didn't know' a decade ago, the emerging institutional framework for economic management involving Auckland is just beginning to reflect Auckland's globalising character. Influencing Auckland's and New Zealand's global economic integration under current political-economic conditions - or managing for a prosperous future - remains a formidable political and policy task.

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