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Economic Governance for a Globalising Auckland?
Political Projects, Institutions and Policy

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Abstract

Economic Governance for a Globalising Auckland? Political Projects, Institutions and Policy

In the context of a peripheral, small and largely resource-based economy, New Zealand's economic policy makers have for long faced the key challenge of influencing global connections of local actors in value-adding activities. This dissertation seeks to interpret the nature and trajectories of governance activities relating to economic processes in Auckland, New Zealand's largest city-region, in the 1990's and 2000's. This period, a time of neoliberalising political-economic conditions following intensive economic restructuring in the 1980s, saw a re-entry of central government to the governing landscape of Auckland. The research focuses on how regional actors such as the Auckland Regional Growth Forum, the Auckland Regional Economic Development Strategy and the business-driven initiatives of 'Competitive Auckland', 'Committee for Auckland' and the 'Knowledge Wave' conferences, gradually became aligned with an emerging governmental project from central government that re-defined perceptions of and expectations about Auckland's economic role.

The research approach is informed by several literatures, especially those of the regulation, actor-network and governmentality schools. The different questions that spring from these literatures enable scrutiny of Auckland's institutional developments in terms of the identification of interdependencies amongst governing interests, the nature and degree of mediation of investment processes from institutional experimentation and the possible emergence of effects from new governance arrangements. The thesis situates and uses the policy and academic positioning of the researcher to develop methodologies to interrogate the emergence of the material and discursive dimensions of the regional economic governance framework of Auckland.

This thesis argues that ongoing institutional experimentation has been both a pre-cursor to and an active ingredient in the re-appearance of the New Zealand central state in Auckland's economic governance. Importantly, governing is increasingly complex; and about mobilising a range of actors by influencing their perceptions about governing and investment goals through discursive governance practices. In this context, current socio-

economic interventions can be best understood as contingent assemblages of governing resources, producing discursive alignments of interests that lead to a re-working of processes and practices of the state-regulatory apparatus. The effects of the institutional developments on private investment decisions are largely unknown however. While the emerging institutional framework for economic governance involving Auckland is increasingly embracing Auckland's globalising character, influencing the city-region's economic participation in the globalising world economy may be harder to achieve as a political project than current policy rhetoric implies. Theoretically, this research challenges territorial conceptualisations of political economic management and contributes to the wider development of a relational-institutional framework for understanding sub-national economic governance.

Keywords: Auckland, globalising economic processes, economic governance, state, institutions, policy, knowledge, contingency, regulation, discourses

I dedicate this doctoral thesis to my parents. To the late Annemarie Wetzstein, my mother, who raised me as a child of GOD, who instilled in me the value of ‘working hard’, equipped me with a strong sense of right and wrong and taught me to care for other people. To the late Klaus-Peter Wetzstein, my father, who inspired me with his humanism, vast knowledge, gentle nature and always great support. I miss our laughs.

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Abbreviations

ACC	Auckland City Council
ARC	Auckland Regional Council
AREDA	Auckland Regional Economic Development Association
AREDF	Auckland Regional Economic Development Forum
AREDG	Auckland Regional Economic Development Group
AREDS	Auckland Regional Economic Development Strategy
ARTA	Auckland Regional Transport Authority
ATAG	Auckland Transport Action Group
BCG	Boston Consulting Group
DIA	Department of Internal Affairs
DoL	Department of Labour
DPMC	Department of Prime Minister and Cabinet
EDA	Economic Development Agencies
FDC	Franklin District Council
GEUDO	Government Economic and Urban Development Unit
GIF	Growth and Innovation Framework
IA	Infrastructure Auckland
INZ	Industry New Zealand
JOG	Joint Officials Group
KEA	'KEA' -Expatriates-Network
LEED	Local Economic and Employment Development
LGA	Local Government Act
LGNZ	Local Government New Zealand
MCC	Manukau City Council
MED	Ministry of Economic Development
MfE	Ministry for the Environment

MMP	Mixed Member Proportional Parliamentary Representation
MoRST	Ministry of Research, Science and Technology
MoT	Ministry of Transport
MoWD	Ministry of Works and Development
MRI	Major Regional Initiatives
NSSC	North Shore City Council
NZIER	New Zealand Institute for Economic Research
NZTE	New Zealand Trade and Enterprise
OECD	Organisation for Economic Cooperation and Development
PDC	Papakura District Council
RDC	Rodney District Council
RGF	Regional Growth Forum
RGS	Regional Growth Strategy
RLTC	Regional Land Transport Committee
RLTS	Regional Land Transport Strategy
RMA	Resource Management Act
RPP	Regional Partnership Program
SLG	Strategy Leaders Group
SME	Small and Medium-sized Enterprise
SOE	State-Owned-Enterprise
TEC	Tertiary Education Commission
TLA	Territorial Local Authority
WCC	Waitakere City Council

CHAPTER ONE

Introduction - A Challenging Moment in Auckland's Political-Economic History

Introduction: Sub-national Political Economic Management after Neoliberal Restructuring

It is frequently said that the Auckland region is the engine of the New Zealand economy...[t]he analogy is only partly true. Certainly the Auckland region is what drives consumption in the domestic economy... [but] if we look at the export sector, however, the analogy begins to break down...The engine of our export economy is spread throughout the country...Nevertheless, the Auckland region is an essential link in the value chain for many of New Zealand's exporters...So it is probably more accurate to describe the Auckland region as the transmission and drive shaft of the New Zealand export economy. For a variety of reasons the Auckland transmission mechanism spends too much time stuck in low gear, or even in neutral. (Michael Cullen, Deputy Prime Minister: Address on the Auckland Economy, April 29, 2004/ Cullen, 2004)

Since nineteenth century settlement, the livelihood and lifestyles of people in New Zealand have been intrinsically interwoven with relations to, and conditions of, overseas markets. The country is similar in land size to Japan and the United Kingdom, but is with today's four million people "by world standards a virtually empty country" (Clark and Williams, 1995, 21). Thus, New Zealand engages in local-global interactions such as trading to overcome the economic disadvantages of being a small market. Local-global interactions have intensified over the last two decades under neoliberal re-regulation and the removal of protectionist borders. Auckland is New Zealand's largest and fastest growing region as current population growth is significantly higher than for New Zealand as a whole (Market Economics, 2002). In 2001, it had a population of approximately 1.2 million, or 31 percent of the national total. It is home to a diverse mix of people who come from many parts of the world, including the Pacific region, Asia and Europe. In 2001, 31 percent of Auckland's residents were foreign born. The region is also an important part of the national economy; one third of New Zealand's businesses are now located in the Auckland region. Despite these figures, there are concerns about the increasing marginalisation of Auckland - nationally and globally - as

local development has shifted from production-centred economic activity to a focus on local consumption, producer and consumer services (Le Heron and McDermott, 2001). Not surprisingly, global economic participation has become a crucial policy challenge for this city-region.

New Zealand's largest city is a fascinating site for researching governance issues because of the far-reaching neoliberalisation of state and society that can be traced to the political reforms of the 1980's and early 1990's. Conditions facing local economic actors such as people, households, firms and organisations in their pursuit of economic activities and the environment for the social reproduction of labour have been transformed in multiple and heterogeneous ways (Le Heron and Pawson, 1996a). As new opportunities open to actors to engage in exchange relations, and the constraints they face, are shaped by the wider context of economic conditions as well as by government regulation, political and public policy processes play an important role in influencing the context in which investment decisions in the post-restructuring period¹ are made. In this context, the challenge for the state-regulatory apparatus is to shape favourable condition for expansionary capital accumulation - which allows actors to undertake profitable economic activity on the basis of spatial expansion and/or investment in new activity fields - as well as to manage the contradictions and trade-offs that occur between individual interests and the interests of the wider public.

This dissertation examines and critically evaluates the political management² of the Auckland economy under conditions of globalisation and in a neoliberal political-economic environment, at the turn of the twenty-first century. The thesis title 'Economic Governance for a Globalising Auckland? Political Projects, Institutions and Policy' refers to the issue of whether current political initiatives and public policy approaches are influencing the development of economic linkages between Auckland actors and activities and the globalising world. To this end, this thesis explores political and policy interventions aimed at mediating regional economic processes in Auckland through analysis and assessment of the constitutive processes and practices of the

¹ This term is used for brevity of expression. It is not intended to suggest the end of restructuring, rather more, it is intended to point to the aftermath of the period of intensified restructuring from the mid-1980's to the mid-1990's.

² The terms 'political-economic management' and 'political management of the economy' are used interchangeably in the thesis.

regulatory effects on private sector investment³. On an actor-level, it investigates the changing nature of actor relationships in Auckland's contemporary economic governance as well as patterns of interdependency and contention. It also asks how - through what techniques and strategies - governing is attempted by actors in this particular moment of Auckland's political-economic history. Finally, a broader interpretation is sought in regards to the trajectories and the nature of socio-political interventions into Auckland's economy that have taken place in New Zealand over the last decade. The dissertation centrally argues that in the current historical moment, Auckland's economic management through the state-regulatory apparatus is largely of discursive, rather than material, nature. It involves the contingent assemblages of governing resources and ongoing institutional experimentation in a search for effects upon private sector investment streams. Importantly, it is the re-emerging central state that has become a key actor in attempts to govern the region's economy.

Increasing global economic integration through globalisation, with ever-rapid circulating capital and information flows, poses particular challenges for state and territorial intervention. The 'global' constitutes an emerging governance domain with particular difficulties for actors to guide capital accumulation (Jessop, 1998). Urban and regional spaces of governance take on particularly important roles as centres of coordinating global economic flows under contemporary conditions of 'globalising capitalism' (Ohmae, 1993; Florida, 1995). The challenge to exert regulatory control at the urban scale has been made visible in the well-documented emergence of speculative modes of urban governance under 'urban entrepreneurialism' (Harvey, 1989). Less is known about how expansionary economic processes and globalising economic relations can be governed from and through city-regional political spaces, and how more strategic dimensions might be re-inserted in public policies at this geographical level under neoliberal political-economic conditions. Thus, this thesis interrogates governing processes aimed at influencing economic transformation and facilitating local-global economic exchange in the context of New Zealand's largest city-region. This analysis allows deeper understandings of the resulting broader socio-politico-economic patterns of multiple interventions that can be termed governance.

³ Economic governance is likely to affect the outcomes of public and private sector investment decisions. While the direction of content of public investment is relatively easy to identify, private sector decision-making and resource allocation remain largely invisible. The focus of this thesis is on evaluating economic governance in regards to changed private investor behaviours.

This thesis is concerned with understanding how policy discourses and practices - the means through which governing is attempted in Auckland's institutional contexts - are constituted. It seeks to show how the contemporary policy world can be understood as a series of goal-setting processes in regard to investment processes, how these are re-organised by different actors, and how well they are actually linked to decision-making processes in private and public resource allocation. Moreover, this study addresses the central contemporary policy concern of 'linking New Zealand activities to global networks' (Larner, 2001; Le Heron and McDermott, 2006) by investigating how participation in the globalising economy is imagined by state and business actors. These actors are situated in New Zealand's neoliberalising political-economic milieu, which has been defined by a 'wholesale' re-making of political, economic and social relations according to neoliberal philosophical principles during the 1980's and early 1990's.

A concern with governing questions in a territorial context requires particular attention to state processes. Neoliberal restructuring in New Zealand - a central state-led process that introduced widespread market exchange conditions at the expense of hierarchical forms of resource allocation and expanded a competitive rule-set throughout the economy and society - not only affected economic and social actors in New Zealand, but impacted heavily on the size, composition, roles and capacities of the New Zealand state itself. Having faced radically new internal and external conditions, state-political processes on central, regional and local levels during the restructuring years have radically changed. For example, the 'reworked' state became smaller in size, centralised in form and removed from regional representation (Moran, 1992). It became organised according to private sector principles and arrangements, and its policy functions were redesigned on the basis of an output-focused policy framework that separated development from delivery structures. These changes have implications for the capacities, arrangements, visions and everyday practices for managing interventionist and regulatory work. Of particular interest are the ways a transformed central state attempts to coordinate 'at a distance' private and public resource allocations and individual behaviours through a range of emerging governmental techniques.

New Zealand's small population and domestic market with its remote location on the edge of the global economy (Poot, 2004) make it a fruitful setting for investigating questions of political economic management. The forceful introduction of a broadly neoliberal political framework for governing society and economy in the 1980's and

early 1990's in a society that has been previously perceived as largely equalitarian, and the associated transformations in all spheres of life, add to the particularity of the New Zealand context. Hence, this country and its largest city constitute a particularly useful site to investigate political-economic management processes and practices and their interplay on actors and places.

Research Domain and Thesis Argument: Interpreting Auckland's Economic Governance in a Globalising World

The thesis interrogates the ways recent political and policy interventions into the economy of New Zealand's largest city have been constructed. It addresses some key issues around the institutional forms of contemporary interventions, the specific actors that are enrolled and for what reasons, the particular strategies and techniques of governing that can be discerned, the sets of practices that are involved in governing attempts, the wider patterns of governance that result as the combination of multiple and intersecting intervention efforts, and finally, the effects these arrangements, processes and practices have on facilitating expansionary economic processes for Auckland actors and activities as well as for the reconciliation between economic and non-economic investment objectives.

The dissertation argues that under current political-economic conditions in post-restructuring neoliberalising New Zealand, a number of key characteristics about sub-national political intervention into economic processes (especially regarding Auckland) can be discerned. These are:

- the return of the New Zealand central state as a key actor in economic management processes
- the incorporation of autonomously initiated local state and business initiatives and networks into central state governing processes
- the largely discursive management of Auckland's economy by a variety of governmental actors

- the governing focus to influence actors' perceptions and assumptions about investment objectives rather than actual investment through the use of storytelling, indicators and benchmarking, and
- the experimental and contingently assembled nature of current sub-national economic interventions

The actual material governance effects on private investment in Auckland under such new conditions are not yet known; but preliminary evidence suggests that to date they may be smaller and harder to trace than implied by current policy rhetoric.

Assembling Complementary Literatures as Research-Shaping Entry Points

The exploration into the institutional arrangements, political-economic processes and governing practices that constitute economic governance in Auckland cannot be approached from a single theoretical perspective. In the thesis it is informed by a range of theoretical frameworks and empirical observations from international social science, political economy, geographic and business literatures. Each literature used provides specific interpretive and explanatory windows into the complex matters that constitute the research topic. These complementary literatures, however, need to be carefully deployed in the appropriate circumstances, and guided by specific research questions. Assembled in this way, each strand of academic work constitutes a particularly useful entry and reference point for the research. Using threads from a variety of literatures ensures that the range of research findings is not read off one particular philosophical perspective or theory, but rather reflects the results of careful and context-sensitive reflection, informed by a multi-faceted body of academic work.

Contributions from the regulationist tradition emphasise the contradictory nature of capitalist development and the need for changing governance arrangements - at this historical moment largely neoliberal approaches - as regulatory responses on various geographical scales (Peck and Tickell, 1992; Tickell and Peck, 1992; Goodwin and Painter, 1996; Peck and Tickell, 2002). Regulationists argue that a particular regime of accumulation requires a specific mode of social regulation. The latter is said to be mediated through institutions such as the state and financial regulation. The particular role of the state in urban and regional interventions has been highlighted by many

writers (see for example MacLeod, 2001; Jones, 2001 and Jessop, 2002a; 2002b). In this context, particular emphasis has been given to the concept of the state as an institutional ensemble and a series of social relations, as well as to the contradictory nature of the state in capitalist societies.

In interpreting contemporary forms of regulating capitalist processes, the notion of neoliberalism has been widely debated. For Jessop (2002a), this meta 'governance project' is about the 'rolling back' of state intervention and the 'rolling forward' of new forms of market-driven governance models. Peck and Tickell (2002) argue for the political construction of neoliberalism and view the process of neoliberalisation as a deliberate attempt to extend competitive logics and privatised management throughout society. With reference to New Zealand, Larner *et al.* (2005) argue that in recent years new forms of 'after-neoliberal' governance are emerging. This form of political-economic management is characterised by endeavours to "stimulate, encourage and align multiple and co-constitutive political projects" (Lewis and Prince, 2004) such as globalisation, sustainability and creativity, but also encompasses proliferating policy and institutional experimentation in search for better regulatory outcomes.

In contrast to the more abstract concept of capitalist regulation, the term governance can be understood as social-political-administrative interventions and interactions in a given policy field (Kooiman in Rhodes, 1996). It captures the more intermediate institutional and actor-specific dimensions of political and policy interaction between the polity and the economy. Governance can refer to the political-economic arena as a site where power relationships are articulated and where particular interests are included or excluded in political and policy processes (Mossberger and Stoker, 2001). This term also denotes the increasing interdependent nature of coordinating economic activities across traditional domains of the state, business, non-profit organisations and other social actors (Jessop, 1997). In this context, it illustrates the intensification of societal complexity which flows from growing functional differentiation of institutional orders.

A particular reading of governance processes comes from the so-called 'New Regionalist' school of thought. This academic work, which is associated with the 'institutional turn' in economic geography, focuses on the 'region' as a key locus for global economic activity, and therefore as a key space for regulatory attention (Storper, 1997a; 1997b; Cooke, 1998; Florida, 2002a). These writings associate the analytical and

policy interest in sub-national spaces such as the region with wider shifts in the nature of economic activity from labour-intensive production to knowledge and innovation-rich work. These transformations are said to put a premium on territorially embedded social relations, actor networking and 'institutionally thick' local cultures as determinants of local growth (Amin and Thrift, 1995). The role of the state, however conceived, is undervalued in this work (MacLeod, 2001).

The theoretical perspective of the 'New Regionalist' literature has informed policy responses to regional and urban development in countries such as the United Kingdom (UK) and New Zealand. The emphasis of these approaches is on supply-side interventions that consider the facilitation of innovation, flexibility and actor collaboration as potential solutions to regional problems (Amin, 1999). It departs therefore from conventional orthodoxy in economic and territorial development thinking that has been largely firm centred, incentive based, state driven, standardised and often centrally coordinated at the national level (Pike, 2004), or comprised of an urban-entrepreneurial approach based on speculative consumption-centred investment and the construction of place (Harvey, 1989). Le Heron and McDermott (2001), however, argue that under neoliberal conditions, attempts to attract international capital through lowering the cost for doing business as well as strategies to encourage local businesses to develop attributes so that they can link into the global economy, have seldom proven successful. Finally, the 'New Regionalist' perspective on the regional governance issues as well as other capital-centric notions concerning the nature of sub-national policy and politics have been criticised by Ward and Jonas (2004), While *et al.* (2004a) and Jonas and Pincetl (2006), on the grounds of an under-stating of political struggles and conflicts around the management of collective consumption, social reproduction and accumulation.

The urban regime literature in contrast puts the spotlight on the form and role of the local state and its interactions with non-state interests in shaping urban and regional development trajectories. An analytical starting point is Jessop's (2002a) contention that the state co-opts other interests to achieve its governance objectives. This literature highlights political processes on local scales that are often shaped by, and in turn affect, investment processes. The 'growth machine' concept for example states that cities in the United States (US) should be understood in terms of the efforts of property-owning elites to realise their interests in urban growth (Molotch, 1976). Work on business

mobilisation focuses on state-business processes in governance arenas. In the New Zealand and UK contexts, business is often not included in public policy making arenas. This can in part be explained by a certain cultural difference between state and capital interests in both countries; resulting in weak business representation on both political and policy levels (Perry, 2001; Valler *et al.*, 2004).

A related strand of literature comprises work on public - private partnerships (Murphy, 2003; Geddes, 2006), which can be seen as a new governance model for guiding urban development. A range of publications on policy networks have conceptually bridged the local and the national scale, the actions of state and non-state actors in policy arenas (Marsh and Rhodes 1992; Bassett, 1996), and networked governing practices for urban renewal (see McGuirk, 2000, for a discussion on Dublin). Finally, discursive practices of governance have received increasing attention recently in research on Sydney's global city discourse and its metropolitan planning processes (McGuirk and O'Neill, 2002; O'Neill and McGuirk, 2002; 2003; McGuirk, 2003; 2004; 2005; McNeill *et al.*, 2005).

An actor-network approach offers new insights into societal and economic processes by viewing both, human and non-human factors, as connected in the assemblage of networks that have constitutive effects (Law, 1986; Murdoch, 2000). If combined with a governmentality perspective, an analytical framework emerges that explains governing as making connections between 'pockets' of power that are dispersed in discourses and practices. In this context, governance can be understood as the outcome of the state 'acting at a distance' (Rose, 1999; Barry, 2002). Larner and Le Heron (2002a) contend that emerging practices of governing 'from afar' increasingly entail incorporations of spaces of calculation and measurement such as indicators and benchmarking. Importantly, they view calculative practices associated with benchmarking, at least for peripheral positions such as New Zealand, as central practices through which new conceptions of global spaces and subjects are being made through the constitution of new imaginaries.

Governance can also be understood as the result of interdependent resources possessed by different actors (Jessop, 1997). These diverse interests can be drawn together into alignments by a multitude of practices. In this context, a review of literatures points to associative practices such as networking (Wittel, 2001), projectification (Grabher,

2002a; 2004a), networking (Cooke and Morgan, 1993) and leadership (Gray, 2003) as everyday practices to achieve convergence. Their significance can be connected to the wider acceptance of the increasing role of non-representational knowledges or learned-in-action intelligence for the course of human action (Thrift, 1996). This in turn puts a premium on performativity, the spectrum of connecting or associative practices which might affect difference and movement towards alternatives (Le Heron, 2005b).

A body of work that is helpful for understanding governance processes concerns the production of knowledge (Bryson *et al.*, 2000). Proponents pay attention to the practices and agents involved in the generation of expertise and ideas that help to understand how governing knowledges are mobilised by, and in turn mobilise, actors. Emphasis has been given to the globalising nature of knowledge production processes, and the role of the consultant as a key agent in them (Thrift, 1997). Recent work in the field of 'sociology of knowledge' has drawn attention to an emerging intellectual practice of knowledge and idea 'mediation' (McLennan 2003; McLennan and Osborne, 2003; Osborne, 2004; McLennan *et al.*, 2005). The central claim is that knowledge production today - rather than being a legislative or expert-centred practice - is increasingly about mobilising other actors through the work of 'brokers' and 'facilitators'.

This thesis deals with the political-economic management of globalising economic processes. Globalisation is widely understood as a process involving the deepening and widening of capitalist social relations. According to Larner and Le Heron (2002b), this conception is largely discursively constructed, as political projects stress the effects of globalisation rather than probing how it occurs. In their post-structural political economy perspective they highlight the situatedness of knowledges on what they term 'globalising economic processes' that can offer valuable insights into a relational and context-sensitive conceptualisation of actors and processes that make up Auckland's regional economic governance space in a globalising world. A key concept that connects actors and spaces globally is the value chain, which builds on earlier work on commodity chains (Gereffi and Korzeniewicz, 1994). For Le Heron and McDermott (2001) a 'global value chain' can be understood as the ability to assemble knowledge and capacity from disparate organisations across localities to produce globally demanded goods and services. Globalisation, finally, can also be associated with emerging city networks. The extensive literatures on 'world cities' and 'global cities' (Friedmann, 1986; Sassen, 1991, Taylor *et al.*, 2002) describe and theorise the

incorporation of particular cities into global structures of power and exchange based on their nature as command posts for the operations of multinational corporations, and as centres of advanced services and information-processing activities.

Finally, in the contemporary urban-regional development context governance is increasingly understood relationally. In this regard, state - economy and state - business relations can be viewed as being at the heart of any governance problem, as development in capitalist societies is largely in the hands of private investors. This perspective draws on work on the 'relational reading of places and spaces' (Amin, 2002; Amin and Thrift, 2002) It is argued that based on intensified global connectivity through flows of people, goods, ideas and information, aided by rapid transport and communications technologies, there is a shift of emphasis away from the currently dominant discourse of scalar and territorial relativisation towards relational processes and network forms of organisation. Importantly, the latter defy a linear distinction between place and space. This view emphasises actor and resource networks and their flows as constituting places and spaces. These multiple networks may be overlapping, although not necessarily locally connected (Amin, 2004).

In this dissertation, these diverse strands of literature are brought into dialogue, allowing the identification of gaps and the creation of synergies. As a result, a series of literature-specific and empirically informed questions are posed that broadly guide this investigation of Auckland's economic governance. These questions are presented in Chapter Two and include, for example, the issue of what policy discourses and emerging practices reveal about this particular governance moment in Auckland, what the role of the state is, and how Auckland's and New Zealand's participation in the globalising (knowledge) economy has been constituted through state governing processes? In order to further refine these questions to suit the local context, a range of trajectories and developments in regards to sub-national economic governance and investment processes in New Zealand and Auckland must be considered.

Local Context: Neoliberalising New Zealand, Globalisation, Sub-national Economic Governance and Auckland's Post-Restructuring Economy

Auckland's economic governance is set in the context of a range of recently emerged as well as longer established patterns of social, economic, cultural and environmental processes in New Zealand. These processes, in their unique combination, shape and re-shape the historically and geographically specific conditions which form the context for private investment decisions, and attempts to affect them through political and policy interventions. The neoliberal remaking of New Zealand's society and economy as a result of recent state-driven political reforms influenced both the conditions investors are facing as well as the way economic management is conducted. Factors such as the total removal of barriers to foreign imports, ownership and investment, a large-scale introduction of markets in the provision of public goods such as telecommunications, banking and education, and the encouragement of skilled immigration from non-traditional countries led to radically transformed conditions for New Zealand businesses to do business. Most importantly, they found themselves - almost over night - faced with the pressures of a global competitive environment.

Significantly, the restructuring period altered New Zealand's and Auckland's local-global⁴ relations. Traditionally, New Zealand's export-focused economy had been built on the back of its agricultural base. Over time, ongoing economic diversification has been sought to secure new external sources for profits. New conditions created by the 1980's neoliberal reforms resulted in spatially divergent trajectories for economic sectors and regions in New Zealand as people, firms and localities become part of rapidly integrating global financial, trade and production networks (Le Heron and Pawson, 1996a). After challenging business adjustment pressures and employment losses during the restructuring period, New Zealand's, and in particular Auckland's economy, recovered relatively quickly. This had been largely due to the rapid internationalisation of the resource sectors, as well as immigration-fuelled consumption-based urban development in Auckland's case. Increasingly, territorial policy approaches are targeting 'participation in globalisation processes' as the way to secure profitability for local economic actors while simultaneously aiming for wider societal and environmental objectives.

⁴ Local-global is used as a short hand to denote relationally constructed spatial connections.

Auckland, the country's largest city and centre of the import substitution economy, had been particularly affected by the intense economic re-structuring of the 1980's and early 1990's. In Auckland manufacturing employment declined by 1 percent between 1991 and 2001 to 75800 full-time equivalent employment (14.3 percent of total employment), while total employment increased by 34 percent primarily through growth in business services, health and community services, wholesale trade, construction, retail and education (Statistics New Zealand 2001; Market Economics, 2002). Auckland has been New Zealand's fastest growing region. The service sector has experienced high growth and considerable diversification as many people from other parts of New Zealand as well as a rapidly increasing number of immigrants from overseas moved to the city for economic opportunities and lifestyle reasons. The rapid population growth has put strong pressure on the regions' infrastructure and development land supply.

However, in recent years Auckland is said to have become increasingly marginalised from a local-global perspective. A high share of Auckland's economic activity is now sourced from, or consumed within, the region (Market Economics, 2002). This highlights the high degree of self-sufficiency of the Auckland economy, and thus its relative global economic isolation. Le Heron and McDermott (2001, 370) claim that the region is even decreasing in importance as a location for primary sector corporate functions as "with the internationalisation of New Zealand's resource sectors, Auckland's contribution as a centre of international commerce, management and marketing is reduced". Its traditional role as a physical gateway between New Zealand and the world also lessened, with other New Zealand locations re-positioning themselves favourably in regard to port activities.

A central concern of the political reforms has been the neoliberal re-working of the New Zealand state, and therefore the institutional regulatory context for Auckland's post-restructuring development. The state "ha[d] been 'rolled back' across space and function towards a central core of activities and a centralised structure of control" (Lewis, 2000, 1). The remaining state actors had been subjected to wholesale neoliberal reforms aimed at building efficiency, transparency and accountability. A second local state layer was introduced in the form of regional councils responsible for implementing an environmentally framed, but development friendly, planning framework through the 1989 Local Government Act. The neoliberal reforms changed the institutional environment for regional and industrial assistance. The fourth Labour government

(1984-1990) and fourth National government (1990-1999) both abandoned regional development policy initiatives (see Table 1-1). They sought to focus the role of central government on providing macroeconomic stability and a policy framework of market competition within which individual producers and consumers could make their own

Table 1-1: Schematic Periodisation of Political-Economic Processes in New Zealand after World War II

<i>Time Period</i>	<i>Central Government</i>	<i>Key Legislation</i>	<i>Intervention Model⁵</i>	<i>Economic Policy Framework</i>	<i>Sub-national Economic Intervention Focus</i>
Post World War II – 1980's	National and Labour	Town Planning Act 1953	Earlier supportive, later directive and supportive	Import Substitution; Primary goods exports; Strongly regulated/ protected economy; Production continuity	Spatial equality; State investments in low-growth regions; Increasingly Auckland as problem region due to growth pressures
1980's	National (until 1984)	Closer Economic Relations with Australia (CER) 1983	Directive and supportive	Energy Self-sufficiency, Think-big developments, regional development	Focus on particular regions in regards to energy-production
	Labour (until 1990)	State-Owned Enterprise Act 1986/ Local Government Act 1989	Facilitative	Neoliberal reforms, removal of barriers to private investment, competition state	A-spatial market-making intervention
1990's	National (until 1999)	Resource Management Act (RMA) 1991	Facilitative	Comprehensive neoliberal restructuring of economy and society	Local state intervention around small business, employment and community support; Macro- and microeconomic policy 'at a distance'
2000's	Labour	Employment Relations Act 2000 Local Government Act 2002	Facilitative/ more strategic	Partnership approach to economic and social Interventions; Later more targeted innovation- and productivity based development models	Regional intervention through partnership program; Switch to target industry support (GIF); Productivity issues; 'Urban' as discursive intervention category, Increasing emphasis on Auckland as solution to New Zealand's governance problems (value-added centre, global gateway)

Source: Author/ Britton *et al.*, 1992/ Le Heron and Pawson, 1996a

⁵ The threefold classification of directive, supportive and facilitative intervention is based on Jessop (1990) and acknowledges the relations between regulation and accumulation.

economic decisions (Dalziel and Lattimore, 2004). Importantly, the central state moved away from representation in the regions (Moran, 1992). Residual corporatised state actors introduced business practices in their work. Policy making was split between development and delivery functions. The election of a Labour-led central government coalition in 1999 (the fifth Labour government) heralded the re-emergence of regional and strategic economic development intervention in New Zealand. Through the findings presented in Chapter Five, this dissertation will shed light on the implications and effects of this markedly changed policy approach to economic management in the context of Auckland's economy.

At a local state level, the 1990's were marked by the consolidation of local government after amalgamation and the assignment of new functions under new legislation. Some decision-making and resource allocation powers were devolved to lower scales, and an increasingly enabling local state decision-making environment was established. These shifts were coupled with rising centralised control based on new forms of 'calculated' accountability in regards to specified policy outputs and governing procedures; arrangements that have enabled central state-specific 'governing at a distance'. In Auckland, many regional services delivery functions were transferred to new purpose-built institutions. Thus, an emerging system of regional and urban governance encompassing an increasing number of public sector, private sector and non-for-profit actors compensated for a previous exclusively state-centred regulatory environment. Within a competitive structural environment, an increasing complexity of often non-aligned and competing institutional orders emerged.

Local development policy responses in Auckland's post-restructuring environment resembled boosterist approaches that can be best explained by a switch to an entrepreneurial mode of local governance (Harvey, 1989). The latter centred on place promotion and speculative property development (Murphy, 2003). Recently however, increasing pressure on land and infrastructure led to the development of collaborative governance structures focusing on growth containment policies at a regional state level. In terms of economic development, the space left by the institutional and policy abandonment of the regions by central government was filled by newly emerging economic assistance networks on local and community levels. An emerging institution in this context has been local economic development agencies (EDA's). Since 2000, collaborative policy initiatives became part of a momentum of institutional change in

Auckland that contributed to an 'up-scaling' of economic development planning from a local to a regional level. Chapter Six of this thesis will interrogate the impacts of those networked governing arrangements on the state-regulatory apparatus and on private investment decisions.

A key aspect of this thesis is the exploration of changing relationships in governance arenas. It is noteworthy that central government - local government relations in the Auckland case have been problematic for a long time. This is partly due to the politically threatening size of Auckland's population and economy relative to the rest of the country, and partly a result of a perceived cultural 'otherness' of the city-region and its people by non-Aucklanders, and vice-versa. Competition has also been a key feature of the local state system in Auckland. This institutional sphere has always been marked by local fragmentation and patch protection since the city started off as a collection of market towns. State-business relations in the New Zealand context have long emphasised government rather than self-management. Over the last two decades, traditional lobby groups such as the farming lobby and the often small business-representing institutions such as regional Chambers of Commerce have all lost influence. Reflecting the weak and fragmented New Zealand business system, "even after the state's direct influence over business activity and economic management has been reduced, [almost] no compensatory growth of organised, encompassing interest groups has occurred" (Perry, 2001, 1). Two questions can be raised: to what degree are economic governance processes in sub-national spaces influenced by business interests, and to what extent are business interests influenced by territorial governance arrangements?

Policy and academic discourse in the restructuring period had been pre-occupied with a general emphasis on market making, the creation of a business-friendly economic climate, environmental protection, the removal of global barriers to production and issues of trade and investment. In the post-restructuring era, there has been a focus on knowledge and innovation as drivers of growth, sustainability as a general development framework, and recently partnerships as guiding institutional model. Policy discourse in general - including in social arenas - had been marked by a colonisation with economistic language. Auckland itself has been a changing subject of economic policy attention in New Zealand. Policy discourses in the late 1960's and 1970's constructed the city-region in negative terms as it became a locus of unparalleled growth. During the

neoliberal reforms, a non-spatial market-facilitating policy framework largely ignored Auckland's distinctiveness. Lately, emerging policy discourses and practices in New Zealand have highlighted Auckland's importance as a key site of connecting local and global processes. Auckland features prominently in this governance moment due to its relatively large size and its concentration of knowledge, technology and labour.

Introducing Key Governing Actors: State Organisations, Business Interests and New Institutional Arrangements

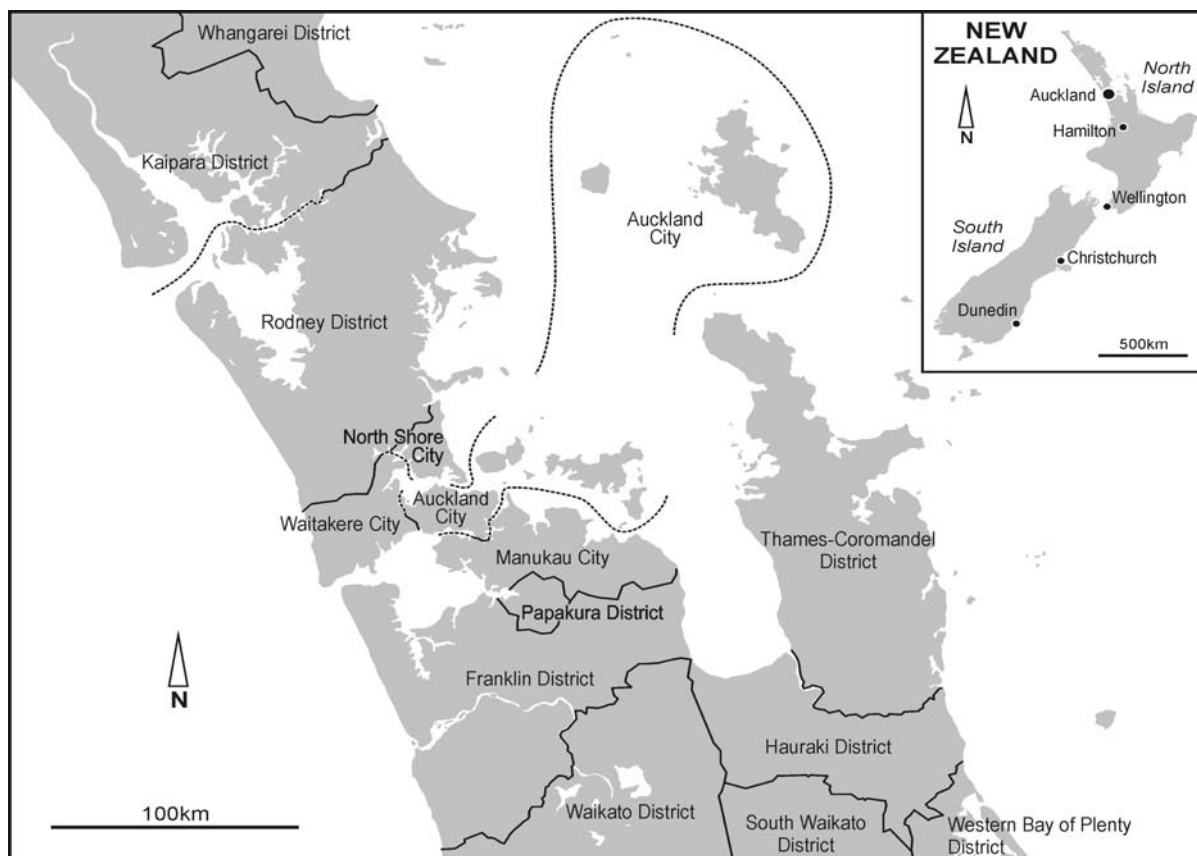
This governance moment is partly defined by a number of key actors concerned with questions of economic growth within Auckland and New Zealand. This section briefly introduces these key actors from state, business and non-state institutional backgrounds that have played a significant role in New Zealand's and Auckland's economic development landscape.

The Minister of Economic Development - a new position in Cabinet established after the 1999 elections - reflected the incoming government's view that the reforms of the previous 15 years had gone too far in rejecting any active role for central government in promoting regional development (Schoellmann and Dalziel, 2002). Instead, the Ministry of Commerce was restructured and renamed as the Ministry of Economic Development (MED) with a mandate to provide policy advice on industry and regional development. Responsibility for implementing the government's key regional development policy framework - the Regional Partnership Programme (RPP) - was given to a newly created Crown entity, Industry New Zealand (INZ). Two years later INZ merged with Trade New Zealand to create a powerful new economic development institution, New Zealand Trade and Enterprise (NZTE). This organisation has since been charged with assisting targeted New Zealand businesses in developing and globally marketing innovative products and services.

Of crucial importance to understanding changing economic governance arrangements in Auckland is knowledge about the local state and its institutions. Auckland's local government has often competed for scarce resources (Bush, 1977). The 1990's were marked by the consolidation of local government after amalgamation and the assignment of new functions under new local government legislation. Today, Auckland's 1.3 million people are governed by seven local councils or local territorial

authorities (TLA's) - Auckland City Council (ACC), Manukau City Council (MCC), Waitakere City Council (WCC), North Shore City Council (NSCC), Rodney District Council (RDC), Papakura District Council (PDC) and Franklin District Council (FDC) - and an overlaying regional council, the Auckland Regional Council (ARC) (see Figure 1-1).

Figure 1-1: Local Councils in the Auckland Region



Note: Auckland Regional Council's boundary includes Auckland, Waitakere, North Shore and Manukau Cities; Rodney and Papakura District Councils as well as part of Franklin District Council

Source: School of Geography and Environmental Science/University of Auckland

While local councils provide local services such as rubbish collection, local roads and libraries to its constituents, the functions of the ARC - until legislative changes in 2002 - had been tightly prescribed as an environmental regulator for local business and development activity. Under neoliberalisation in the 1990's, Auckland's local state increasingly grew more complex, including not only core organisations such as the councils, but also residual central state delivery agencies such as Housing New Zealand offices and Business Development Boards (Boston *et al.*, 1996), regional service entities created in ad-hoc manner, new non-for-profit organisations working in business

and community development areas as well as economic development agencies. One of the early features of this institutional governance landscape had been the fragmentation and non-alignment of its actors whose actions remained deeply guided by a competitive rule-set.

A key concern in this thesis is an analytical engagement with the newer mixed-interest institutional arrangements in Auckland's economic governance space such as the Auckland Regional Growth Forum (RGF), 'Competitive Auckland', Auckland's Regional Economic Development Strategy (AREDS), and the 'Knowledge Wave' initiatives. The RGF, established in 1996, is a co-operative partnership between the ARC and the region's TLA's that grew out of antagonistic institutional responses of the local state to growth pressures during the 1990's. Its brief was to develop and implement a strategy for managing the effects of population growth in the Auckland region (RGF, 1999b). It produced a 50-year Regional Growth Strategy (RGS), which lays out the broad criteria for Auckland's long-term growth processes. The concerns and objectives of the RGF are largely related to land-use and transport policy domains. However, they have recently been re-framed to take into account more economic aspects of urban and regional development.

In addition to collaborative intra-state governance arrangements, 'Competitive Auckland' has been a private-sector led initiative that emerged during 2000 in Auckland. Representing a mix of mostly development, consultancy and educational interests, it aimed both to raise awareness of Auckland's globally referenced economic underperformance and to influence state institutions to promote Auckland globally. It saw itself as a "champion of the concept that business creation and focus are critical elements in the successful re-development of Auckland as an internationally competitive city" (Competitive Auckland, 2003a). Through economic analysis, individual leadership and effective media performances this initiative was able to influence the course of regional economic governance re-working in Auckland. In 2003, this group renamed itself 'Committee for Auckland', a "private sector, non-profit organisation where members' skills, resources, enthusiasm and considerable influence ...will contribute to the economic, social and environmental wellbeing of New Zealand's largest urban area" (Committee for Auckland, 2006). This business initiative moved from an advocacy group to an initiative that works with corporate and local state actors on economic and urban revitalisation projects.

This autonomous mobilisation of business interests became part of the founding platform for AREDS, a policy and governance experiment that assembled both, public and private sector actors. It produced a widely applauded 20-year strategy for Auckland's global economic connectivity. Other founding influences were a new collaborative moment in local government's economic development community - borne out of loosing a high-profile overseas investment opportunity - and the re-emergence of the central state in regional economic development planning. AREDS set out the vision for the Auckland region to become "an internationally competitive, dynamic, and inclusive economy" (AREDS, 2002a). This governing initiative focussed on setting strategic goals for regional economic growth, identifying courses of action for the future, and providing measures to evaluate the region's performance relative to the strategic goals. Institutionally, AREDS had been framed as a partnership that aspired to combine actors from business, education, Maori, Pacific Peoples, local and central government and other community groups who were 'committed to achieving beneficial outcomes' for Auckland (AREDS, 2002a). The processes, practices, actor interactions and governance effects of this project are of key relevance to the observations and the argument of this thesis.

The 'Knowledge Wave' project emerged from the University of Auckland, the country's largest tertiary education institution, which was looking for ways of increasing funding opportunities (Informant 45, 2004). It grew into a nationwide advocacy campaign for the promotion of a knowledge-based society that centred around two high-profile conferences in Auckland in 2001 and 2003. This project was supported by mostly-Auckland based educators and corporate business leaders (Prince, 2003). The policy emphasis changed over the years from a preoccupation with the scientific knowledge and technology as drivers of economic transformation to a view that it is active leadership and networks that are necessary to ensure prosperity for New Zealand in the future (Knowledge Wave, 2003). This governing initiative affected government thinking concerning the importance of innovation in promoting the economy, and can therefore be seen as a contributing factor to central government's Growth and Innovation Framework (GIF). This policy platform was released by the Prime Minister Helen Clark in February 2002. As central government's key policy framework for New Zealand's economic transformation, it focuses on strengthening the economic foundations, investment in innovation, talent and global connectedness, and sectoral

policies targeting the bio-technology, ICT and creative sectors (DPMC, 2002). This policy arrangement had been developed in close consultation with private sector leaders and consultants. GIF processes have been concerned with mobilising state and business actors and strategies, and aligning them behind growth objectives. This framework emphasises discursive dimensions of policy making. It does not involve markedly increased or re-directed economic development funding streams.

Table 1-2: Overview of Key Governing Institutions Associated with Auckland

<i>Institutional Dimensions</i>	<i>Regional Growth Forum (RGF)</i>	<i>AREDS</i>	<i>Competitive Auckland</i>	<i>Knowledge Wave</i>
Representation of Sector in Society	Local State	Local and Central State, Business, Non-state interests	Largely Business	Largely Business
Origin	Population growth pressures on Auckland; Antagonistic institutional relations in local state regarding development regulation	Impulses in different institutional sites (central government, local government, local business)	Business loss to overseas locations; Economic under-performance of Auckland	Funding needs of Auckland University
Key Actors	ARC, TLA's	INZ/NZTE; Competitive Auckland; TLA's, AREDG	Commercial developers, Educationalists, Management consultants (local business elite)	Vice-chancellor University of Auckland; Educationalists, Corporate Financial interests, Local business networks, Corporate business as sponsors
Key Individuals	Phillip Warren, Gwen Bull	Peter Menzies, Sir Barry Curtis	Richard Didsbury, David Irving, Bryan Mogridge	Dr John Hood, Chris Liddell, Scott Perkins, Andrew Grant
Time Period	Strategy development phase (1996-1999); Implementation phase from 1999	2001-2005 (Economic development planning currently in different form under ARC)	2000-2003 (Transformed into 'Committee for Auckland' initiative in 2003)	2000-2003

Source: Author

Table 1-2 shows an overview of the key institutions that play a role in shaping economic governance in Auckland. It demonstrates that a variety of interests have been involved in recent governing projects in Auckland. These have become more networked in nature, comprising a mix of local and central state, business and non-state interests.

Different factions of local business have been part of these processes. While primarily educationalists started the 'Knowledge Wave' project, 'Competitive Auckland' was founded by a wider group of local development and business interests. The RGF is the only project that is still under way in its original form and with the same naming. All other projects went through more or less profound institutional changes over recent years. Chapter Five illustrates the interconnections and interactions between these different governing initiatives and evaluates their effects on broader governance trajectories for Auckland's economy.

The Positionality of the Researcher: Participating in Multiple Policy-informing Knowledge Production Projects

The insights presented in this dissertation cannot be fully understood without explicitly referring to, and explaining, my particular positionality with respect to the research process (Hartsock, 1987). The multiple methodologies that have been developed to suit the particular purposes of this research project have been strongly guided by the objective of best utilising my positionality.

Over the duration of the research I participated in a number of Auckland-based regional economic development and broader regional policy projects. These consisted of a series of research and project management work for the ARC and AREDS, policy-directed research for the 'Knowledge Wave' initiative as well as facilitation in an experimental learning/teaching project on the interface between Auckland University and Auckland's local councils. This gave me exposure to a variety of policy constitutive situations and enabled me to explore how policy discourses are constructed, policy-relevant knowledges are produced and policy practices performed in particular institutional and organisational contexts. My situatedness, to use Thrift's (2000) term, 'observant participant', introduced me to multiple dimensions of policy-relevant knowledge production. In this sense, this research project incorporates process-based methodological frameworks to interrogate societal and economic processes (Yeung, 2003). Finally, critical reflections on experiences in multiple knowledge production projects raised my awareness of the multi-faceted aspects, the heterogeneous forms and indeterminate nature of the production of policy-informing knowledge.

A variety of policy work experiences in Auckland's local government have created a deeper awareness of how knowledges are produced within the state-regulatory apparatus. The participation in a research-project that explicitly supported the visit of an overseas 'academic celebrity' to Auckland highlighted the contested and politicised nature of policy-directed research. Moreover, this project showed the importance of quantitative knowledge and benchmarking in contemporary knowledge production about urban and regional processes, an insight that contributed to the development of aspects of the thesis' argument. Finally, an innovative geography learning/teaching experience at the University of Auckland produced insights about how economic, territorial and governance processes are individually understood by actors. It also illustrated that the spaces in the knowledge production territory between public sector, academy and private sector are largely unexplored and unproblematised. Taken together, the author's reflective participation in multiple knowledge production projects in regards to urban and regional policy provided key insights that have profoundly shaped the direction and detail of the dissertation.

My work experiences during eight years of living in New Zealand after immigrating from Germany shaped my professional habits and intellectual curiosity. In particular my work as policy analyst and consultant for the ARC has given me valuable insights into the work of economic, land-use and transport related policy and governance processes on regional level in Auckland. A combination of luck, officer support, networking skills, my adaptability to different project and work settings as well as my critical thinking skills allowed me to participate in a surprisingly wide range of valuable policy development and implementation projects in a relatively short time.

The Thesis in Brief: Context, Questions, Methods, Findings and Argument

This thesis investigates how the political management of economic actors and activities in Auckland has been re-worked during the mid-1990's and mid-2000's under conditions characterised by previously introduced wide-reaching neoliberal political reforms in New Zealand, and an increasingly global integration of economic processes. The particular research objectives can be redefined as:

- Investigating policy and wider economic governance processes for Auckland as an urban-regional space from a actor-relational perspective; in particular exploring the role of the state; and the changing processes and practices involving state, business and other non-state interests in the economic governance arena (with a particular emphasis on public-private engagement)
- Mapping resource interdependencies and actor co-dependencies in governing Auckland's economy, as well as highlighting areas of contingencies, contention and struggle
- Exploring the nature of how governing is attempted by actors in the context of wider policy discourses and interpreting key characteristics of governing trajectories in this particular political-economic moment
- Examining the degree of mediation of private investment processes involving actors and activities in Auckland through contemporary institutional arrangements
- Interpreting empirical findings against assumptions held by actors, and claims made in international literatures
- Theorising economic governance on a sub-national scale under globalising conditions

Complementary methodologies were developed to answer these research questions. Knowledge on processes and practices of governance was produced through the examination of, and the participation in, a range of projects. Insights came from the re-interpretation of policy text that reveal the trajectories of key political projects, through the interrogation of how such discourses are constructed in particular contexts of institutional and politicised projects, and by reflecting on the ways policy is performed and policy-relevant knowledges are produced, in particular work, research and teaching projects the author has been involved in. Specifically, the methods include non-standardised and semi-structural interviews with individuals from political, policy, business and academic backgrounds in Auckland, Wellington and Christchurch, the interpretation of secondary data on circulating policy discourses as well as 'observant participation' in policy work, local research in association with the visit of 'academic

celebrity' geographer Professor Richard Florida, and finally, an 'innovative' regional geography policy teaching/ learning experience.

The evidence obtained through this multi-methodological and multi-method approach is used to advance a range of empirical and theoretical claims. First, it is argued that a re-emergence of the New Zealand central state into Auckland's regional economic governance space has occurred. This entails the temporarily co-opting of autonomously mobilised local state and business initiatives and networks into central state economic interventions. Second, economic governance is characterised by the contingent assemblages of governing resources and ongoing institutional experimentation. It can be understood as the expression of partial alignment and cross-fertilisation of political projects. Third, governing is about influencing other actors' perceptions and assumptions in regards to investment objectives, and less about direct economic management. Discursive governing practices increasingly encompass the use of narratives, indicators and benchmarking as key governmental techniques. Fourth and last, the regulation of economic processes on urban-regional scale in a proposed 'after-neoliberal' governance moment is complex, and primarily of discursive nature. It results in the discursive and institutional re-working of the state-regulatory apparatus with potential expansionary economic effects. But it is unlikely to affect private sector investment decisions directly, though it may shift opinions and even attitudes.

Theoretically, it is contended that Auckland can be best understood relationally, rather than territorially. It can be conceptualised as a node in multiple networks of governing and investment interests that span across all geographical scales. In this context, the city-region can be understood as partly connected, partly overlapping bundles of relationships that reach near and afar, and are constantly developed and re-worked through political, economic and cultural processes and particular governing practices (Massey, 2005). From a policy perspective, the evidence revealed in this dissertation about actors' intentions to govern, and wider trajectories of governance in Auckland, highlight particular possibilities and limits of current interventions that allow evaluating governing action in relation to aspirations voiced. Finally, the insights produced point to further research opportunities. Of interest for example is whether current institutional changes surrounding Auckland's economic governance arrangements really allow for a better reconciliation between economic and social-environmental objectives as current policy rhetoric implies.

Chapter by Chapter - a Map of the Dissertation

Chapter Two presents threads from the international literatures that offer value in informing the empirical investigation into Auckland's economic governance. Each of the introduced literature themes - work on capitalist development and its regulation in space, writings on questions of governing urban and regional economic spaces and the role and articulations of the state within them, governmentality and network approaches to governing, contributions focusing on academic and policy discourses regarding economic and non-economic territorial processes and finally, literatures investigating the constitution and effects of globalisation - adds a particular perspective to the exploration of economic governance in urban and regional settings. The resulting framing guides the contextual, methodological and empirical-analytical work in subsequent chapters of this thesis.

Chapter Three outlines the New Zealand- and Auckland-specific conditions and trajectories that emerged out of the country's recent restructuring period. The chapter suggests that despite the introduction of a neoliberal political-economic framework in New Zealand emphasising the creation of more marketised relationships in society, new conditions for, and trajectories of, the political management of private sector resource allocations in post-restructuring Auckland began to emerge. It is shown that Auckland is a central site in New Zealand's post-restructuring experience, whose economic and governing actors have been exposed to and responded in particular ways to the new conditions.

Chapter Four discusses the development of methodologies that makes as full as possible use of my ongoing involvement in the Auckland regional development and regional policy scene. The key methodological challenges have been how to move inside the material and discursive networks and processes making up economic governance on a regional scale in Auckland, so as to detect and explore transformative action. This chapter also reveals important dimensions about my personal research journey.

Chapter Five provides a relational account on the emergence of recent economic governance processes in Auckland. It sheds light on transformative action in two key political-economic sites: the state (on various geographical scales and in different settings), and the state-economy interface. It maps and analyses the multiple and

interrelated trajectories of re-worked state and changing state-economy relations in their particular institutional settings in the Auckland context over the last decade. The insights gained allow abstractions to be made about the contemporary nature of the political management of economic relations on an urban-regional scale, and the relative importance of key actors involved. Emphasis is given to the way key governing resources such as knowledges and political mandate are mobilised. The chapter also demonstrates the contested and contingent character of economic governance in Auckland.

Chapter Six analyses the current governance moment in Auckland's political-economic history by seeking to answer whether re-worked state processes and institutional arrangements aimed at the region's economic transformation had any discernable effects on private sector investment processes. To this end, governmental discourses and governing practices are interrogated in detail. Interpretations are provided about what constitutes the content of current policy in economic interventions, how governing is attempted, how particular knowledges are enrolled, and what effects are produced in relation to guiding capital accumulation. The main foci are the discursive dimensions of the current political management of sub-national economic spaces, and the emerging practices that attempt to influence behaviours of actors in possession of private resources.

Chapter Seven offers reflections, shows research limitations, outlines policy recommendations and highlights potential areas for future research. In this sense, the chapter is a mix of field-oriented and thesis-oriented conclusions (Bunton, 2005). The international and local literatures informing the study are revisited, and claims made in these literatures are re-appraised in light of the research findings for Auckland. Questions posed in chapters two and three are answered. The conclusion of the thesis is that, at best, the emerging institutional framework of economic governance in Auckland is beginning to embrace Auckland's globalising character. But affecting private sector investment processes is a difficult task for policy under current political-economic conditions. Hence, facilitating Auckland's and New Zealand's global economic participation remains a challenging political and policy task.

CHAPTER TWO

Governance of Urban and Regional Economies in a Globalising World

Auckland's complex economic governance arrangements and their regulatory effects cannot be investigated with either traditional political-economy perspectives, or governmentality approaches, in isolation. Rather, the utilisation of different but complementary strands of knowledge is needed to provide the theoretical context for exploring policy and academically relevant questions in connection with Auckland's contemporary political economic management. Thus, this chapter introduces key threads from a range of international literatures across the social sciences, including geographic, planning and business/economic literatures, which each identify particularly useful theoretical and empirical aspects on understanding governance of urban and regional economies in a globalising world. These literatures assist in the formulation of questions which will guide the contextual, methodological and empirical-analytical work in subsequent chapters of this dissertation.

The exploration of Auckland's globalising political economy recognises that Auckland is integrated into capitalist processes of accumulation and regulation whose contemporary articulation is increasingly global in nature. It also acknowledges the currently prevailing neoliberal conditions for state-economy and state-society interactions in New Zealand. These conditions form the structural context for assessing emerging forms of political-economic governance with respect to Auckland's economy. Therefore, the regulation literature's concern with the regulation of capitalist processes and their institutional and social mediation makes this body of work a useful starting point for this literature review. The focus on issues of political economic management in this thesis means that a review of writings on the nature and configuration of the state, in particular recent work emphasising relational dimensions, must be included in this section. The particular efforts of 'Competitive Auckland' to shape the agenda of state intervention in Auckland's regional economy mean that the motivations, mobilisation, representation and articulation of business interests, as well as the general role of urban politics, must be explicitly considered. The analyses of discourses in post-

structural tradition add another analytical dimension to the investigation of governance arrangements as they provide a useful methodological tool to shed light on the often hidden flows of power and governmental rationalities underpinning governmental activity. Network theory forms a bridge between particular governing arrangements and the practicalities and day-to-day practices of governing. What becomes evident is that several unconnected literatures - especially those concerned with territorial and knowledge processes - must be examined alongside networking and governmental perspectives to enable the explanation of the emergence of particular governance arrangements in space and time. Finally, the rise of the governing practice of benchmarking draws attention to how processes of globalisation, and thus a central contemporary economic governance domain, is imagined and constituted.

From the international literatures a framework with five intersecting dimensions is developed. The framework highlights the regulatory and institutional aspects of mediating economic processes in space, the actor-specific arrangements that guide capital accumulation in regions and cities, the governmental techniques at work, the governance effects of governmentalities, networks and performances, as well as the economic governance objects that are constituted around questions of scale, type of economic activity and impact on non-economic spheres.

Capitalist Development and its Regulation in Space

Institutional Mediation of Capitalist Processes: Insights from the Regulation School

Key ideas from the French Regulation School allow governance questions to be integrated into the wider context of capitalist territorial development. The regulation approach (Aglietta, 1979; Boyer, 1990; Jessop, 1997) understands capitalist social systems to be not only dynamic and complex, but also contradictory. They are seen as being prone to crises and ruptures in the reproduction of their constitutive social relations through time and across space. Regulationists are centrally concerned with searching for explanations why capitalism as a societal mode of production - despite its internal contradictions and precariousness of its reproduction - has achieved or has maintained politico-economic stability for certain periods in history. In this context, the approach is most distinctive for its ensemble of intermediate concepts readily available

to examine the diversity of practices and institutions which avert, if only temporarily, capitalism's socioeconomic contradictions (Jessop, 1997).

Three concepts are central to regulationist thought: the regime of accumulation, the mode of regulation and bridging institutional forms; which together form a distinct mode of development. The concept of the 'regime of accumulation' can be understood as a set of regularities that allow a general compatibility between capital formation, production, the distribution of income and the genesis of demand. The mode of regulation describes how relative coherence and stability of the existing regime of accumulation is ensured by means of institutionally mediated adjustment processes that mitigate contradictions, promote system reproduction and displace crises spatially and temporally. Time and place-specific institutional forms set a bridge between the observed regularities of socio-economic life and agents' behaviour. Five institutional forms are identified as crucial: the wage relation, forms of competition, monetary and financial regulation, the state and the international regime (MacLeod, 2001). Regulatory processes are not seen as inevitable or automatic, but rather involve intentional social practices. Yet, it is argued that their regulatory impact is frequently an unintended consequence of actions undertaken for other reasons.

The institution of the state and the wider geography of regulation have received particular attention among scholars of a distinctive 'British school' or third-generation regulation approach (Boyer 1990; Painter and Goodwin, 1995; Peck and Tickell, 1995; Jones, 1997; Jessop, 1997; MacLeod, 1997). Their interest includes the changing internal structures of the state, its governance arrangements incorporating other actors, its system of representation, patterns of intervention and the institutionalisation of its social bases of popular support (see Jessop, 1990). Crucially, far from simply reacting to shifts in the wider nature of capitalist accumulation, the state is understood as being itself caught up in the crises of capitalism. Consequently, reorganisations of governance (including the state and state-like forms at all geographical levels) are pursued and *may* result in the emergence of new, stable modes of capitalist accumulation and the attainment of a 'successful' mode of regulation.

Multiple Regulatory Responses to Changing Regimes of Accumulation and ‘glocal’ Re-scaling of Regulation

Regulation is not a uniform process. It is widely accepted that - in conjunction with re-scaled processes of capitalist accumulation - new regulatory and governance arrangements emerge on multiple geographical scales rather than primarily on the national scale. Moreover, empirical investigations have revealed that at a given point in time different regimes of accumulation and associated modes of social regulation have existed across countries. This trend towards geographical differentiation of regulatory processes has resulted in strong attention to the supra-national scale and the sub-national/regional and urban scales recently. The former includes work on the internationalisation of policy regimes focusing on supranational agencies such as the European Union (EU), the International Monetary Fund (IMF) and the World Bank in regulating and restructuring the internal territorial spaces of national states (Goodwin and Painter, 1996; Swyngedouw, 1997; Brenner, 1998). The latter has been the focus of work on the local-global theme such as ‘glocalisation’ and ‘glurbanisation’ processes. Jessop and Sum (2000) define the former as the impact of the after-Fordist global-local restructuring or rescaling of the national territorial state so that it becomes a ‘glocal’ and hollowed-out state. In contrast, the idea of ‘glurbanisation’ is explicitly concerned with the governing of time and space in the production of urban-based competitive advantage in the current period of globalisation.

Attempts to understand the changing regulatory practices in local and regional spaces with the tools of the regulation theory proved more difficult (Kraetke, 1999). In fact, some commentators conceded the exhaustion of the explanatory power of this conceptual approach when applied to sub-national scales. For Jessop (1995) the contributions of regulation theory to research on local state restructuring have been able to offer a ‘plausible contextualisation’ rather than substantive explanation. However, some commentators find the application of regulation theory to sub-national spaces useful, for example Goodwin and Painter (1996) and MacKinnon (2000). McGuirk (2004, 1022) points out that

...contemporary regulationist accounts have moved us towards more theoretically effective analysis of urban governance by developing relational and constructivist perspectives [in which] urban governance is conceptualised relationally as embedded in and constitutive of a broader, multi-scaled and spatialised system of

political-economic relations, revealing how its institutions, relations, and practices might fit within global capitalism's search for a 'scalar fix' in the territorial reorganisation of accumulation and regulation.

Overall, there is some consensus now that regulation theory alone is not sufficient to account for the evolution of specific regulatory practices at local and regional levels, but that it offers useful complementary insights into the workings of local and regional governance.

Neoliberalism, Neoliberalisation and 'After-neoliberal' Political Projects

With regards to understanding contemporary forms of regulation and governance of capitalist processes, the concept of neoliberalism has recently received wide-spread attention. For Larner (2000) this term denotes new forms of political-economic governance and a policy framework that marks a shift from Keynesian welfarism towards a political agenda favouring the relatively unfettered operation of markets. These “are understood to be a better way of organising economic activity because they are associated with competition, economic efficiency and choice” (5). For her, neoliberalism specifies the state's limits through the invocation of individual choice on one hand, and involves forms of governance that encourage both institutions and individuals to conform to the norms of the market on the other. She further contends that often this renewed emphasis on markets is understood to be directly associated with the globalisation of capital. In this context, Lewis (2000, 35) remarks that “the re-regulatory projects of globalisation and neoliberalism are difficult to disentangle, if only because of their simultaneity and contingency”. For regulationists, neoliberalism is a mode of social regulation. Peck and Tickell (1992; 1994) earlier viewed the rise of neoliberalism as a political and ideological project of the state to re-establish the conditions for sustained capitalist accumulation, while recently conceding that the “transformative and adaptive capacity of this political-economic project has been repeatedly underestimated” (Peck and Tickell, 2002, 380).

Thinkers in the governmental tradition add another dimension to the analysis of neoliberalism. For them, the neoliberal regimes of the 1980's arose as responses to the fiscal and accumulation crises, but not with a coherent and elaborated political rationality (Rose and Miller, 1992; Rose, 1996; 1999). Instead of neoliberalism, proponents like Rose speak of 'advanced liberalism'. Governmentalists' concerns

include the way the state has been transformed as a governmental agent under neoliberalism. In their accounts, neoliberalism has been brought to the state as a set of rationalities and technologies of power (Lewis, 2000). Larner (2000; 2001) argues that neoliberalism is both a political discourse about the nature of rule and a set of practices that facilitate the governing of individuals from a distance. She warns against the writing of any grand narrative into understandings of neoliberalism. Rather, she suggests a perspective that stresses fragmentation and allows a more detailed engagement with contemporary governance changes. She stresses that while accounts of neoliberalism as policy are useful in terms of elaborating the consequences of restructuring processes in economic and social arenas, they are not suited to explain this phenomenon itself. Rather, neoliberal policies are better understood as governmentality. Recently, she contends that neoliberalism is a more contradictory phenomenon than is often recognised (Larner, 2005).

There is growing academic consensus on understanding neoliberalism in process terms. This cognitive shift entails a move from understanding neoliberalism as a state project, to framing neoliberalisation as a wider process including state and non-state actors which operate on various geographical scales. Jessop (2002a, 454) for example understands it as a ‘governance project’ which includes

roll[ing] back routine forms of state intervention associated with the mixed economy and the Keynesian welfare national state,...and the enhance[ing] of state intervention to roll forward new forms of governance (including state intervention) that are purportedly more suited to a market-driven (and, more recently, also allegedly knowledge-driven) globalising economy.

Peck and Tickell (2002) view this process as one in which markets are constructed politically, and competitive logics and privatised management are deliberately extended into hitherto relatively socialised spheres. Peck (2004) argues that neoliberalisation has taken historically-specific forms since early development in the 1930’s; they include destructive and deregulatory moments based on crude marketisation (‘roll back’) dominant in 1980’s, and more creative and proactive moments (‘roll out’) since the early 1990’s.

New forms of neoliberalised governance are said to emerge at all geographical scales with supra-national and sub-national ones having received particular attention. Brenner

and Theodore (2002) stress that the urban-regional scale takes again centre stage in the debates as “[i]t is in cities and city-regions that the various contradictions and tensions of ‘actually existing neoliberalism’ are expressed most saliently in everyday life” (452). This view can be supported by McGuirk’s (2004) narrative of Sydney’s latest transformation where she argues that this city’s governance has been deeply shaped by the “rhetoric, policy forms, and institutional configurations associated with urban neoliberalism” (1019). Recently however, she suggests that Sydney’s metropolitan planning transformations created hybrid forms of planning combining neoliberal ‘small government’ with the “continued presence, capacity and power of state agency to pursue spatial aspirations at the metropolitan scale” (McGuirk, 2005, 59). Sydney’s emerging governance must be seen in the wider context of a political repositioning of the city that is increasingly recognised as a strategic site through which national global economic competitiveness might be engineered (O’Neill and McGuirk, 2002). In this context, McNeill *et al.* (2005) emphasise the political construction of contemporary ‘global city’ discourses in Sydney and demonstrate that they are inherently problematic.

Recent analyses concern the relationship between neoliberalism and state institutions in the Australian context. Beer *et al.* (2005) for example argue that regional development agencies are both, a product and a victim of neoliberalism. While they emerged as a local response to problems of economic adjustment under neoliberal political agendas, they are denied adequate funding and powers to be more successful in their work. O’Neill and Moore (2005) define the state apparatus as a site of power and contestation. Based on an appraisal of shifts in institutional structures and behaviours in Australia’s state apparatus since the mid-1970’s, they claim that contingency in the realm of government needs to be taken seriously. In this context they view institutions as having particular agency in the political processes of state apparatus reform. O’Neill and Argent (2005, 5) in particular stress the role of contingency in neoliberalising processes, which means that they “present a possibility for political, economic, social and cultural change, but not as an imperative or a certainty”. To them, a contingent neoliberalism involves neoliberalist tendencies, but its material form can never be predicted or guaranteed.

In their post-structural political economy critique, Larner *et al.* (2005) highlight the expansionary analytical force of the idea of neoliberalism (see also Larner, 2005). They argue that

...like post-Fordism, which moved from being an account of changes in production spheres to signifying 'new times' encompassing economic, political and social processes, neo-liberalism has moved from being a descriptor of contemporary policy frameworks to that of the current period as a whole as part of a political rationality that makes manifest changed understandings of economic and social relations. (23)

For them, this shift includes an increasing 'taken-for-granted-ness' of neoliberal ideas. This transformation resembles changed thinking about globalisation, where the assumption that economies are globally linked is becoming the increasingly unquestioned context for inquiry and action rather than a point of contention. They critique foci on accounts of neoliberalisation where it is described as a universalising, totalising and disembodied process which manifests itself in similar ways in different places. Rather, they put forward a conceptual argument that these processes are more usefully understood as an ad hoc, post facto rationalisation in which connections are made across political projects that were initially quite discrete and even contradictory. Their analytical focus is on the varying forms in which neoliberalism has been instantiated and embodied. They call for more inquiries into the "relational arenas and institutional ensembles that are being developed and reworked through neoliberalising processes" (Larner *et al.*, 2005, 24).

A recent critique on Larner and Le Heron's work is provided by Barnett (2005). He claims that this strand of work on neoliberalism which has sought to reconcile a Marxist understanding of hegemony with poststructuralist ideas of discourse and governmentality can not resolve the limitations of Marxist "theories of 'neoliberalism', [which] are unable to recognize the emergence of new and innovative forms of individualized collective action because their critical imagination turns on a simple evaluative opposition between individualism and collectivism, the private and the public" (11). He contends that stories about neoliberalism pay little attention to the proactive role of socio-cultural processes in provoking changes in modes of governance, policy, and regulation and concludes that "in the last instance, neither the story of neoliberalism as hegemony nor as governmentality can account for the forms of receptivity, pro-activity and generativity that might help to explain how the rhythms of the everyday are able to produce effects on macro-scale processes, and vice-versa" (ibid). Interestingly however, the latter point is in fact similar to what Larner and Le Heron are arguing.

In the New Zealand context, neoliberalism in the form of radical and extensive market-friendly reforms and restructuring from the mid-1980's has been described as a top-down state strategy termed 'the New Zealand experiment' (Kelsey, 1997). As a political, ideological and policy project it has been widely depicted as one of the most purist neoliberal versions experienced anywhere in the world. In the process, the New Zealand economy was exposed to far-reaching de-regulation and re-regulation along market lines and its barriers to global economic activity were removed. The 'new' state saw itself in the role of a facilitator of business and a regulator for markets rather than a more active player (Britton *et al.*, 1992). Among the many critical voices, Le Heron and Pawson (1996a) argue that this shift towards the active promotion of neoliberal perspectives in New Zealand was disruptive and heralded a time of social upheaval. From a geographical perspective they concluded that "changes in the state's regulatory role ushered in new conditions, as well as having direct impacts on the localities in which the agencies of the state were enmeshed" (12).

Recently, Larner and Craig (2005) and Larner *et al.* (2005) refer to changes in New Zealand's political economy as an 'after-neoliberal' political project. This political moment and strategy is linked to New Zealand's fifth Labour government which - elected in 1999 - has sought to rebuild economic and social institutions (Larner and Craig, 2003). Larner *et al.* (2005) argue that 'after neoliberalism' is made up of projects such as globalisation, knowledge society, creative industries and social development which are interlinked and co-constitutive in nature. Elsewhere, this political programme was described as an attempt to align a series of political projects that are in different ways designed to re-invigorate economic and social participation in the context of a globalising economy (see Lewis and Prince, 2004, for an account on the political project of the 'creative industries' in New Zealand). Less convinced of a deeper shift in the nature of neoliberalisation is Peck (2004). He asks questions about the current state of understanding neoliberalisation such as how far we can and should stretch the concept of neoliberalisation, does neoliberalism contain its own 'double movement' of market-making and market-containment, and are 'softer' variants of neoliberalism such as third-way pragmatism more or less pernicious?

Governance of Urban and Regional Economic Spaces and the Role of the State

From Sub-national Government to Local Governance

Understandings of regulatory arrangements in sub-national spaces have moved from an emphasis on the state and the national scale to a focus on a variety of actors that make up local and regional governance. This explanatory shift can be associated with a range of socio-economic, political and institutional patterns. One trend concerns processes of devolution, or the down-scaling of decision-making processes, from the national to the regional and urban scales in countries with unitary political systems such as the UK and New Zealand. Earlier regulationist readings have explained these developments with the 'crisis of the state' and the 'hollowing out' of the national state as a space of governance (Peck and Tickell, 1992). Other commentators and actors see devolution as a way of increasing the capacities of localities to better influence their own futures (see for example the work on the 'new regionalism' later in this chapter). However, this transformation has also been raising new issues of political control, legitimacy and accountability. There is consensus that political processes are getting more complex under devolutionary governance influences, which is illustrated by Cox (1998) who shows how agents and organisations 'jump' scales in giving political expression to their locally dependent interests.

The rise of local governance can also be connected to the intensification of societal complexity and its associated growing functional differentiation of institutional orders. Where previously governing would have been considered a sole function of the state, the term governance denotes the increasing interdependent nature of coordinating economic activities across traditional domains of the state, business, non-for-profit organisations and other social actors (Jessop, 1998). Governance can be understood as a mode of coordinating particular objects. The term 'mode' refers to the institutional logics through which coordination of interdependent activities is achieved, while the objects of governance are those issues, activities, actors, institutions and spaces which are to be governed. Jessop points to the constitutive nature of governance modes which in part constitute their own objects of governance. He distinguishes between three modes of governance that are often mixed in particular institutional settings: anarchy of exchange, organisational hierarchy and self-organising, networked 'heterarchy'. His

three-fold typology of self-organising governance consists of the formalisation of interpersonal networking, the next higher forms of negotiated inter-organisational coordination and the highest form of decentred, context-mediated inter-systemic steering. Importantly, he points to the state's increasing role in what he calls meta-governance, that is, the managing of the respective roles of these different modes of coordination.

The analytical shift towards local governance is also related to a renewed emphasis on the role of time and place-specific institutions in the reproduction of social life. The so-called 'institutional turn' in the studies on urban and regional development in the 1990's (Amin and Thrift, 1996; Amin, 1999; Raco, 1998, 1999; Barnes and Gertler, 1999; Philo and Parr, 2000; Evans and Hutchins, 2002) re-directed attention to the inquiry into the institutional dimensions of political-economic spaces and arrangements such as associations and actor negotiations. Institutions were thought to matter again (Peck, 2000); as were the searching for particular institutional alignments that would deliver governance returns. According to Wood and Valler (2001), the concept of 'institutions' directs particular attention to the organisation of social collectivities. These include cities and regions, via the formal and informal combination of state agencies and civil interests such as business organisations. However, the institutionalist agenda suffers from an underestimation of both the role of the state in solving governance problems (MacLeod, 2001) as well as the general difficulties of guiding processes of capital accumulation (Jessop, 1998).

A central concern of studies on governance is the teasing out and evaluating of power relationships. In this context, governance can be referred to as any strategy, tactic, process, procedure or programme for controlling, regulating, shaping, mastering or exercising authority over others in a nation, organisation or locality (Larner, 2001). Power is comprehended in antagonistic terms: as the control of actors over others and the inclusion and exclusion of interests which separates them into winners and losers. Larner and Le Heron (2002b) claim that governance inflects top-down ordering systems, often the focus of global commodity chain or supply chain investigations. They critically propose that these analytical descriptions "may sketch the axes of coordination and expose the context fields in which regulatory structures are erected but they are broadly impositional and even functional, in that the descriptive intent is to ascertain how coordination might be secured" (417). McGuirk (2000) emphasises the

network dimensions of power relationships. For her, “the organisational forms through which power is socially produced in urban governance involve co-operation, interdependencies between organisations, a multiplicity of actors and the mobilisation of networks to access the various resources essential to creating the capacity to govern and to achieve policy goals” (652).

In urban regime analyses on local governance, elements of political economy, pluralism, and institutionalism are synthesised to account for urban political trends. Regime analysis views power as fragmented, and regimes as the collaborative arrangements through which local governments and private actors assemble the capacity to govern. The primary reason for the fragmentation of power is the division of labour between market and state (Elkin, 1987). This literature depicts a shift from the hierarchical and bureaucratic structures of government towards a new urban governance based on relations and patterns of engagement that constitute governance; networking, negotiation, bargaining systems and coalitions which incorporate non-government actors into the formulation of local regulatory frameworks and policy-making (Stone, 1993; Mossberger and Stoker, 2001). This framework has been criticised for its inability to explain how changes in the wider socio-economic environment affect regime formation and development beyond local coalition building, as well as for a US-centricity (Wood (2004).

Local and Central State in Urban-Regional Governance

The organisations and people of the state are key actors in local governance arrangements. According to Duncan and Goodwin (1988), central government is responsible for supporting capitalist production whilst local government is mainly concerned with securing capitalist reproduction by helping families to supply able-bodied and compliant workers (through education, housing and health and welfare services). Saunders (1984) too argues that “the first priority of central government is and always has been to maintain private sector profitability, whereas that of local authorities has been to provide for the consumption requirements of various groups in the population” (Saunders, 1984, 28, in Duncan and Goodwin, 1988, 61). Geddes (1988) acknowledges the role of local government in the sphere of both, production as well as consumption. Godwin and Painter (1996) emphasise that behind the alliterative phrase ‘from government to governance’ lays a series of crucial transformations in the

social, political, economic and cultural relations which operate in and around the local state.

Collinge (1992) argues that the form and function of local government develops through a series of stages linked to periodic changes in the state system and in the patterns of economic production. He distinguishes four time periods in which there were particular correlations between the phases of modalities of local intervention and the development of the UK economy. First, there was a sustained growth period in national income from 1880 to 1914 associated particularly with the mechanisation of manufacturing. Second, an inter-war period was marked by economic stagnation and slump in which municipal enterprise became restricted, town planning developed and industrial promotion expanded rapidly. Third, a long after-war period of growth was associated with the mass production of consumer durables and the creation of a mixed economy in which industrial promotion all but disappeared, but town planning took off. And there was a fourth stage in which unemployment and business failure increased sharply from the mid-1970s as newer manufacturing industries and regional bases declined. As a result, planning became less important, but industrial promotion was revived. Indeed, one strand of the latter activity evolved into economic development, which became the predominant mode of local government intervention in recent times. In conclusion, he contends that these “growth management and growth promotion modalities represent the contrasting responses of local authorities to the fiscal and political conditions created by the different phases of capitalist development” (72).

Many studies have focused on the nature, role and changes of the local state and local government in what is called the new urban governance. McGuirk (2000) claims that recent studies on urban and regional development have indicated that the shifting scales, scope and culture of the relations of governance have repositioned local government. Newman and Thornley (1997) argue that the organisational forms for the exercise of governing power have shifted and have become both more fluid and fragmented. Local governments have therefore become one among many agencies involved in decision-making, in the framing of local regulatory frameworks, policy-making and seeking access to the resources and capacities to implement policy (see Jessop, 1995; Tickell and Peck, 1996). Governing power is increasingly practised through shifting cross-sectoral coalitions and networks, often organised at a range of spatial scales (Amin and Thrift, 1995; Healey *et al.*, 1995).

Many accounts on urban governance focus on either the declining influence of the local state (Peck and Tickell, 1994; Lauria, 1997), or their empowerment (Healey, 1995; Raco, 1997). Shifting power has often been associated with the rise of the local quango state. Jones (1998) argues that while local government has been reinvented private-sector style, the Keynesian welfare state partnership between local government and central government has been challenged through the emergence of quasi-autonomous non-governmental organisations, or short quangos. For him, the local quango state is characterised by a specific and tightly defined ‘single-minded’ ‘policy remit’, a strong local focus (referred to as ‘central government localism’), a strict output-related funding contractual relationship with central government and the presence of notable business elites. There is also an emergence of ‘centrally sponsored local institutions’ (Duncan and Goodwin, 1988, in Jones, 1998, 959). Jones theorises quangos as “sites for state-articulated social regulation and social control” (960). Eisenschitz and Gough (1998) argue that central to the ‘quangoisation’ of the local state has been the rise of local economic initiatives.

A comprehensive strand of the British literature on local and regional governance emphasises the (continuing) role of the central state in local and regional governance (Jessop, 1997; MacLeod, 2000; 2001). It is argued that under neoliberal conditions local economic governance - despite institutional multiplicity - continues to be underpinned by national structures of government. Whilst the establishment of unelected local agencies involves the decentralisation of certain functions, this has not been accompanied by a corresponding shift of power and influence (MacLeod and Goodwin, 1999a; 1999b). Arguing on similar lines, Stewart (1994) within the context of UK urban regeneration policy refers to the relentless centralisation of management and control over the last quarter of a century. Parkinson’s (1996) review of 25 years of urban policy also shows that government substantially increased the centralisation of state power. Harding (1994) highlights the strong functional links between national and local state levels, the greater integration of local authorities into national policy-making structures and the greater reliance of local government on central government grants which have continued largely unchanged, or have even become accentuated, during the emergence of the new urban governance. Finally, Rydin (1998) and McGuirk (2000) argue for the importance of wider central-local relations by emphasising central government-business links as crucial in getting local development projects underway. This, in turn, may cause

problems for central government in its promotion of new working relations with a 'side-lined' local state.

Gibbs *et al.* (2001) examine the claims that local authorities have ceded power to other actors and institutions involved in economic development and regeneration with reference to the operation of EU Structural Funds in the Humber sub-region of the UK, a region considered neither 'successful' nor 'underdeveloped'. Their work suggests that arguments about the declining influence of the local state are overdrawn. But it also indicates a need for more nuanced accounts of the role of institutional capacity in regional development. Nevertheless, there is some consensus in the literature that local government is to some degree dependent on central government as local state actors must gain effective access to the relevant policy networks in order to be empowered (see Healey, 1992). Arguing from a governmental perspective, MacKinnon (2000) suggests that the local state rather than withering away, has been restructured through the deployment of 'managerial' technologies designed to realise the objectives of neoliberal programmes.

Hulst's (2005) paper represents a growing body of political science literature focusing on regional government structures within the local state as a response to a growing need for strategic planning and political accountability at this geographic level. This literature claims that regional planning is a means to overcome failure in social and economic planning by central government (Murphy and Caborn, 1995) as well as a tool for the co-ordination of local government policies (Wannop, 1995). In some European countries, this issue has been addressed by enlarging the scale of local government, for example in Sweden and in the UK. In other countries intermediate levels of government have been entrusted with powers to plan and co-ordinate local government policies. Hulst (2005) discusses regional governance in the Netherlands, France and England and suggests that there is a need for a general purpose regional government, if only as an institutional framework for co-operation and joint decision-making.

For McGuirk (2004) urban governance - in the example of Sydney - can be seen as a practical accomplishment, which is linked to its broader politico-economic embeddedness and to the territoriality of the state. As such it is simultaneously a "multiscalar production and a political construction... which is in turn constitutive of more spatially extensive contingent articulations of capitalist social relations" (1019). In

this context the state is not equally accessible to all social forces, but in a given conjuncture, is constructed in a form that is more permeable to representations of some types of political agents and agendas than others. So rather than contemporary urban governance being the local by-product of an omnipresent neoliberal rationality (Peck and Tickell, 2002), it should be viewed as an institutional arena in and through which a broader neoliberal political economy is evolving (Brenner and Theodore, 2002). Finally, in general contrast to capital-centric conceptualisations of sub-national territorial management, some commentators see the processes of regional and urban governance shaped by conflicts and political struggles in regards to the management of collective consumption and social reproduction in areas such as infrastructure, local land-use and the environment (Jonas and Ward, 2002; Jonas and Gibbs, 2003; Ward and Jonas, 2004; While *et al.*, 2004b; Jonas and Pincetl, 2006).

Economic Intervention and the Mobilisation of Business Interests

State processes are central to economic governance questions. Despite comments on the diminishing role of the state in contemporary urban and regional governance, the state remains a powerful actor affecting and shaping sub-national futures. According to Jessop (1990), the state has three roles in managing the economic sphere: directive, supportive and facilitative intervention. A directive state owns the means of production and is an active producer of goods and services. Supportive intervention however privileges particular aspects of economic activity through regulatory and economic development means including tariffs, licenses, import substitutions, tax rebates and subsidised access to factors of production such as land, property and labour. Both forms of intervention were fashionable under Keynesian welfare state arrangements. Finally, facilitative intervention entails a general pro-market regulatory framework and the provision of access to information, knowledge and networking opportunities to economic actors.

In order to understand the nature and mechanics of economic interventions, the state is best conceptualised as a relational entity. Jessop (1990; 2001; 2002a) develops a strategic-relational approach to the understanding of the state in which it should not be understood as a uniform and monolithic actor but in rather relational terms, or as a series of social relations. Building on work by Gramsci and Poulantzas, he sees the state as

...an ensemble of socially embedded, socially regularized and strategically selective institutions, organisations, social forces and activities organised around (or at least involved in) making collectively binding decisions for an imagined political community... It has no power, it is merely an institutional ensemble; it has only a set of institutional capacities and liabilities which mediate that power; the power of the state is the power of the forces acting in and through the state. (Jessop, 1990, 269-270)

Recent work on the 'relational state' has developed the notion of the 'peopled organisation' (Jones *et al.*, 2004), which demonstrates how state officials are actively involved in the production and reproduction of state organisations and thereby defying an abstract institutional logic to the working of the state.

The wider national and cultural context remains important in understanding the different ways in which state institutions affect economic coordination. In many European countries more permeable boundaries are claimed to exist between economy, civil society and state under the 'negotiated economy' model. In this context, the state is construed as an arbitrator and facilitator of relations between autonomous spheres and organisations (Amin and Thomas, 1996). In the UK and New Zealand by contrast, boundaries are said to be more solid between state and business. In New Zealand, it is claimed that the state has moved from supportive towards facilitative intervention modes over the recent two decades. In this context, economic development can be understood as a recent state intervention strategy to promote desired economic activity and investment, which partly substitutes earlier concepts of national or regional development.

State-economy relations in capitalist societies can be conceptualised as goal-setting processes and work processes (Le Heron, 2005). The former concerns questions of economic vision including what is to be produced and consumed, which actors are included or excluded in those processes, and how trade-offs are managed. Work processes can be understood as acts of investment. Central is the question of how goals and investment processes correspond. These may be strategically well-aligned, unexpectedly aligned or 'miles apart'. Put another way, there are investment and state processes, to highlight both the allocation of resources to do particular work and the governing of that work (Le Heron, 2005b). Each sphere of activity - state, commercial, community and individual and so on are constituted through processes pertaining to governance and investment. Le Heron (2005b) stresses that unless conditions of choices

are comprehended multi-dimensionally as “investment fields in which governmental rationalities are deployed and governing domains where investment logics are applied” (224), performative options to change investment and governing processes are unlikely to be transformative. He contends that state and investment processes are rarely unproblematic; featuring contradictions, dilemmas, trade-off’s, geographically uneven patterns of injustice and exploitation and so forth that surface as political struggles. In New Zealand, goal-setting after the 1999 central government elections saw the re-inclusion of social and cultural dimensions that had been previously left out in purely economic and environmentally-focused development visions. But as Le Heron (2005a) points out, considerable difficulties remain in aligning the domains of economic vision and actual investment decisions in this country.

Under neoliberal conditions, economic interventions and regulation are increasingly about the mobilisation of capital interests. At the urban level, this trend can be traced back to Harvey’s (1989) seminal paper on urban entrepreneurialism, which analysed the nature of urban transformation and renewal in the context of post-Fordist local economic restructuring. He argues that under conditions of intensifying inter-urban competition an entrepreneurial stance to urban processes is seen as a better way to foster and encourage capital investments for local development and employment growth. A key institutional arrangement which has emerged is the ‘public-private partnership’ which is said to be more effective in organising economic development work on urban levels, often in regeneration contexts. These structures are said to entail a combination of interests from traditional local boosterism such as land developers and facilitative local government interests. However, these forms of governance are seen as problematic as “in turn this has required the abrogation of democratic processes [as these arrangements] afford scant opportunity for popular representation” (16). Recently, Jessop and Sum’s ‘entrepreneurial city’ idea (2000) points to the important role of entrepreneurial discourses, narratives and self-images for cities’ re-positioning in the globalising division of labour and the mobilisation of global capital.

Lately, the broader concept of partnership has increasingly been normalised in Anglo-Saxon policy discourses (including New Zealand) as a universal institutional blueprint for economic and social development on sub-national scales (Jones, 2001; Larner, 2003; Dalziel *et al.*, 2003; Dalziel and Saunders, 2004). These forms of governance must be seen in the context of enhanced state interventions to roll forward new forms of

governance in which “urban and regional governments and growth coalitions may gain a key role as strategic partners of business” (Jessop, 2002a, 454). While partnership discourses are spreading widely in policy communities, the evaluation of the material effects has been difficult to achieve. For example, ‘third-way’ politics claims that this institutional model mediates the growth of urban and regional economies while simultaneously allowing for better reconciliation between outcomes (Jones, 2001). Yet, the real impact of partnerships is considered hard to evaluate as the mechanisms through which partnerships contribute to economic development, social inclusion, or any other policy objective pursued are not fully clear (OECD, 2001).

The mobilisation of non-state and business interests in local and regional governance arrangements has been interpreted differently. The UK-originated policy network approach (Marsh and Rhodes, 1992; Smith, 1993) recognises that a powerful state does have certain autonomy in pursuing its own interests. However, these interests can be diverse and competing since the state is not unified. As society becomes more complex, policy-making is subject to fragmentation into different policy domains, in which the boundaries between state and civil society are blurred through the establishment of different relationships between interest-groups and relevant fragments of the state. Bassett (1996) describes local economic development in Bristol as resembling a policy network with both horizontal and vertical ties in unevenly professionalised policy domains. These perspectives differ from urban regime theory, which emphasises the horizontal nature of local linkages in governance arenas.

In regards to the mobilisation of capital interests (see Valler *et al.*, 2000, for an overview), a distinction between general business interests’ and developers’ interests is useful. Concerning the former, Leys (1985) states in the UK-context that for long British capital has been weakly represented - both politically and bureaucratically. This fact he ascribes to the “heterogeneous character of British capital, a relatively de-socialised and politically detached commercial and industrial culture, and a historically underdeveloped institutional and political infrastructure for business engagement” (14). Rogerson and Boyle (1998) also propose that in the case of the Glasgow Operatives Club, an inward investment focused partnership organisation, business involvement “is piecemeal, project based and for the most part reactive”. Their overall assessment of business engagement in politics points to the absence of a “highly motivated local business class [which is] keen to articulate a coherent political voice” (116).

While Valler and Wood (2004) broadly argue along similar lines, namely that business perceptions of the current devolutionary context have underscored a limited restructuring of business interest representation in Britain, they, however, find that business interests have at times “sought explicitly to influence the evolution and character of devolutionary arrangements and the associated institutional and governance forms” (1837). Such interventions suggest a reconfiguration of business political activity rather than a step-change in the institutional foundation for sub-national business interest representation in the UK (Valler *et al.*, 2004). Bassett (1999) points to reasons for engagement other than self-interest in Bristol’s business community. Motivations for participation were rooted in a range of concerns including a reaction to local complacency and lack of leadership as well as “the social responsibilities of business leaders to put something back into their communities” (187). Finally, Phelps *et al.* (2006) point to the large diversity of business involvement in urban politics in European ‘edge cities’ that raises new questions including issues of ‘jumping scales’ of locally dependent interests.

Given the former close ties between New Zealand and the UK, business participation in governance arrangements in New Zealand could be seen as differing little to the British context. Franklin (1978) however comments on the country’s distinctiveness that expresses itself for example in a small and interlocking elite and many interlocking directorships, which may point to the personal influence of individual business men in political processes. More in general, he highlights the absence of an amalgam of an establishment involving family, school, university and business in this country in comparison to the UK. Perry (2001) stresses the general absence of business interests in governance arenas. He claims that even after the state’s direct influence over business activity and economic management had been reduced during the reforms, no compensatory growth of organised, encompassing interest groups has occurred. For him, the weakness and fragmentation of interest groups is an enduring feature of the ‘New Zealand business system’.

Often, urban governance arrangements can be linked to property-led regeneration projects that involve local developers whose economic fortunes are intrinsically linked to local places. In the Irish context for example, McGuirk (2000) examines how the locus of power in urban governance is reshaped through the emergence of networked governing practices that incorporates these particular business interests. She takes the

intersection of central government property-led regeneration initiatives with local government planning regulation in Dublin as a forum in which to explore the multi-scaled policy networks constituting urban governance and the role of local government, particularly local government planners, within them. In Dublin, development interests and central government instrumentalities became involved directly in newly emerging governing networks in which urban policy was produced and implemented. As a result, the locus of power in urban policy shifted as local government and particularly local government planners were sidelined.

In the US in contrast, often land-dependent business interests are a vocal part of the local political landscape - in particular under crises conditions. The growth machine concept proposes that US-cities should be understood in terms of the efforts of property-owning elites to realise their interests in urban growth (Molotch, 1976). Logan and Molotch (1987) stress that the effects of growth coalition activities work to reproduce and further existing urban social divisions. They propose that central to growth coalitions are 'rentiers', place entrepreneurs or 'parochial capital' as "the people directly involved in the exchange of places and collection of rents" (29). A host of other growth machine participants include local politicians, the local media and the utilities, as well as a further set of 'auxiliary players' that have a somewhat more tangential relationship to growth. The mobilisation of local governmental power and authority enables business interests to realise economic gains through the intensification of land use and the coincident growth of economic activity (Wood, 2004).

The variety of literatures on topics of urban and regional governance and on the particular actors involved allow a range of key questions to be posed that guide the inquiry into economic governance arrangements in Auckland. The outlined shift from sub-national government to local governance raises the issue of where power lies in terms of geographical scale and specific actors in Auckland. State actors in particular warrant analytical attention; it is for example of interest how individual state officials and particular branches of the state are actively involved in the production and reproduction of organisations and institutions involved in Auckland's political economic management. On a broader scale, it can be asked how, in what form and at what scales the state - or state-like forms - intervene in local and regional accumulation processes. And finally, given the emphasis in the literature on business participation in territorial governance, a research focus must lie with the involvement of business

interests in political and policy arenas concerned with steering private investment, and the way of their mobilisation.

How Governance is constituted: Literatures on Governmentality, Discourses, Networks and Performances

Governmentality, Discourse and Power

Discourses shape the contours of the taken-for-granted world
(Gregory 2000b, 180).

While the previously outlined literatures paid attention to broader patterns of economic interventions and discussed the role of particular actor groups on aggregate levels, other literatures are needed to expand the number of analytical and methodological tools available that enable a richer understanding of sub-national governance processes. The work on governmentality sheds light on the ways governance is constituted in day-to-day practices, while the Actor-Network approach highlights the diverse nature of actor networks and conceptualises power as a distributed entity as well as a set of effects. When combined, these approaches allow an interrogation of the constitutive effects of particular actor-network configurations and processes of re-positioning and enrolment on the governance of investment processes in sub-national spaces.

The notion of governmentality concerns questions of government and governing. In its particular perspective and in contrast to state-theoretical thinking, government is not synonymous with the state, but extends beyond it into the sphere of the governed domains such as populations, nations and economies. Basing their work on the seminal insights of Foucault concerning the complex relationship between power, knowledge and discourse (Foucault, 1979; 1980), governmentality demonstrates how power is located at dispersed sites and in specific strategies and technologies rather than in particular actors. Larner and Le Heron (2002a) claim that while governance inflects top-down ordering systems, a governmentality approach asks how might relations amongst people and things be imagined, assembled and translated to effect coordination at a distance. Importantly, governmentality is argued to be a methodology rather than a strand of knowledge and must be combined with other approaches like Actor-Network-Theory to be effective (Larner, 2000).

Policy discourses are said to both shape and reflect urban and regional governance arrangements. Discourses are seen as the very methodological domain of the governmentalist school of thought (Dean, 1999; Barry, 2002). It is claimed that power is articulated with discourse, whilst discourse is implicated in the constitution and reproduction of social relations through the production of knowledge. Discourses are part of a process through which things and identities get constructed. In Foucaultian terms, discourses are not simply reflections or (mis)representations of ‘reality’; rather they create their own ‘regimes of truth’ – the acceptable formulation of problems and solutions to those problems (Foucault, 1980). As Stenson and Watt (1999, 192) argue:

...discourses create, inter alia, a cast list of political and economic agents which government must consider, objects of concern, agendas for action, preferred narratives for making sense of the origins of current situations, conceptual and geographical spaces within which problems of government are made recognisable. They also create a series of absent agendas, agents, objects of concerns and counter-narratives, which are mobilised out of the discursive picture.

Neo-Foucaultian thinkers are concerned with the problem of rule, the construction of governmental subjects, and the techniques, strategies and practices involved. Foucault identifies the technology of domination as a key technique in the construction of governmental subjects. He contends that programmes or technologies of power enter into and emerge from the micro-settings of power through the specific objectives apparent in any power relation. These become codified as strategies and cohere into programmes for reorganising institutions, rearranging spaces and regulating behaviours (Foucault, 1982). The insights from this body of academic work therefore promote a view about power ‘from below’ rather than from above. It stresses a process-oriented perspective on institutional discourses in a sense that they are diagnosed for pockets of power which might shape other actor’s ‘conduct of conduct’.

Larner (2001) highlights a literature gap, as past analytical emphasis has been on the discursive aspects of power rather than the practical techniques on which governmental ambitions depend. Poovey (1998, 18) argues that “discourse is only one phase in the history of meaning making practices”. Attention should also focus on the institutional mechanisms through which discourses materialise. These comments also point to structures such as networks and their role in the constitution of governing practice. While Actor-Network-Theory (see later section) is primarily concerned with how

heterogeneous networks and the elements that constitute them co-evolve (Murdoch, 1998), the governmentality approach is more interested in examining how these networks act as 'governmental technologies', imbued with multiple aspirations, and designed to produce certain effects and avert others (Rose, 1999). Barry (2002) describes technology of government as human technologies, as it is human capacities that are to be understood and acted upon by technical means.

Governmentality thinking has been critical to the interrogation of state processes. In contrast to earlier regulationist work on the 'crisis of the state', governmentality-informed work recognises that - under neoliberal conditions - the state is not absent from governance arrangements but always manifests itself in different forms, different representations, and in different ways of governing (MacKinnon, 2000). O'Malley (1996) argues that work on governmentality has served not only to break down the notion that government is a monopoly practice of the state, but has also played an important role in directing attention to the nexus between broad political rationalities and such micro technologies of every day life such as developing 'self-esteem'. For Larner (2001), state institutions extend the scope of their operations and the depth of their penetration into the lives of their citizen subjects by a complex set of strategies. These utilise the new positive knowledges of the economy, sociality and moral order and harness already existing micro fields of power in order to link the governmental objectives with activities and events far distant in space and time.

Governmentality understands that different formulations of neoliberalism emerge out of a multiplicity of political forces always in competition with one another; producing unintended outcomes and unexpected alignments. Moreover, the emergence of new political projects is never a complete rupture with what has gone before. Rather, it is part of an ongoing process involving the re-composition of political rationalities, programmes and identities. For Lewis (2000), neoliberalism - in governmental accounts - has been brought to the state as a set of rationalities and technologies of power. He argues that in restructuring crises, new governmental moments spring up, for example marketing moments, competitive moments, industry making moments and collaborative moments (Lewis, 2005); all with distinctive rationalities and languages that "not only make acts of government describable, but also make them possible" (Rose, 1999, 144). For Larner (2000) neoliberalism from a governmentality perspective can be understood as both, political discourse and set of social practices. Argent (2005) highlights the often

fragile character of such governing 'at a distance' in neoliberal governance arrangements around financial service provision in Australia. Based on Allen (2003), he points to the potentially destabilising influence of local context and the constitutive role of personal proximity and face-to-face contact on long-range power translation.

Governmental thought emphasises the importance of knowledge and expertise in governing practices. Power and knowledge are seen as mutually constitutive as "...there is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations" (Foucault, 1977, 27, in Lewis, 2000). Thus, the mobilisation of knowledge becomes an integral and necessary part of governing discourse and practice, which in turn highlights the role and work of experts. Indeed, Barry (2002) argues that governments recently have been more concerned with "fostering a culture of regulation, monitoring, measurement, auditing, testing and compliance", all of which can be delegated to experts. He argues that these forms of 'metrology' become a secure connection between the political and the economic fields.

Raco and Imrie (2000) apply governmentalist tools to discuss the argument that the recent shift towards a 'rights and responsibilities' agenda in urban policy is part of broader transformations in the rationalities and techniques of government. Following Rose, these writers characterise the emergent forms of urban policy as part of 'advanced liberalism' or strategies which seek to activate citizens, individually and collectively, to take greater responsibility for their own government. They argue that the main contribution of a Foucaultian approach lies in its ability to link the mentalities, norms, aspirations, and actions of members of the population with the objectives and techniques of advanced liberal government.

Networks, Networking and Associative Practices

For a fuller account on Auckland's changing urban-regional economic governance arrangements, it is vital to understand how and in what forms institutional architectures are assembled. In this context, the literature points to the importance of network arrangements as well as networking practices as crucial factors. Comprehending the world in network terms has critical implications on the ways power relations and governance are understood. New forms of networked governance have emerged over

the past two decades which can be illustrated in the work on local growth alliances (McGuirk, 2000), multiple governance networks (Amin and Hausner, 1997) and asymmetrical networks of power (MacLeod, 2001). According to Jessop (1998), networks and networking form the bases of heterarchical (self-organising) governance mechanisms which have led to a proliferation of networked institutional arrangements such as inter-firm networks, public-private partnerships and a multilateral 'negotiated economy'.

The network paradigm as a mode of economic co-ordination between market and hierarchy received much attention in the 1990's (Harrison, 1992; Cooke and Morgan, 1993; Capello, 1996; Perry, 1999). In all of this work, networks are seen as a potentially rich analytical framework for understanding new trends of corporate and spatial economic development. In network modes of resource allocations, "transactions occur neither through discrete exchanges nor by administrative fiat, but through networks of individuals or institutions engaged in reciprocal, preferential, mutually supportive actions" (Powell, 1990, 544). Networking in this context is primarily understood as inter-firm networking, which is fundamentally concerned with the practical, day-to-day operations of firms (Cooke and Morgan, 1993). These practices can lead to inter-firm networks such as strategic alliances, buyer-supplier partnerships, joint ventures or corporate consortia. In most general terms, network relations in the economic realm are distinguished by a willingness to allow opportunities for longer-term mutual gains to influence immediate economic transactions.

Another, more recent literature strand concerns the social interactions between economic agents which have shaped the geography of economic performance (Boggs and Rantisi, 2003; Bathelt and Glueckler, 2003). This perspective deploys network theory to show how power resides in either the individual agent, and/or structures; an approach that will in turn enable better accounting for the contingency of economic behaviour. It represents a theoretical orientation where actors and the dynamic processes of change and development engendered by their relations are central units of analysis; an orientation which has been termed the 'relational turn' in economic geography. Its proponents ascribe a greater role to agency in economic geography analyses and a shift from a macro-level in methodology - focusing for example on institutions and regulatory frameworks - to a micro-level that incorporates agents and their interrelations, firms and individuals.

Jessop (1998) stresses the role of interpersonal networking and networks as the simplest form of self-organising coordination in which individuals represent themselves, and/or their functional systems, but are not mandated to commit specific agencies. Individual actors build on their past familiarity with others in various interpersonal networks to form a more exclusive and more targeted partnership. Partners share an imagined community of interest and orientation to the future and they use selective memories to reinforce trust (Elchedus, 1990 and Luhmann, 1979, in Jessop, 1998, 36). Partners may speak for themselves and/or may also be regarded as speaking informally on behalf of institutional orders from which they are recruited. However, interpersonal networks also involve an acute problem of trust as more actors get involved, and/or the material stakes increase.

Associative practices come to be understood as a vital ingredient in aligning governing actors and achieving convergence. They encompass, among others things, networking between actors as well as leadership, inter-organisational dialogue and project management. Their significance can be connected to the wider acceptance of the increasing role of non-representational knowledges or learned-in-action intelligence for the course of human action (Thrift, 1996; 2000; 2004). This in turn puts a premium on performativity, the spectrum of connecting or associative practices which might affect difference and movement towards alternatives (Le Heron, 2005b).

Recently, networking has been explored as social practice in more entrepreneurial economic environments (Stone, 2000). Not surprisingly, Wittel (2001) found that overall networking as social practice is considerably under-researched. He suggests

...that certain features of the practice of networking might be 'new': its widespread practice in urban post-industrial spaces; its framing and institutionalization in the form of new media networking events, parties, conferences, art openings, mailing lists and digital discussion forums; its increasing commodification and the increasing perception of social relationships as social capital; and, finally, a move from having relationships towards doing relationships and towards relationship management. (Wittel, 2001, 71)

He proposes the term network sociality to describe the emerging societal formation based on networking which entails a disembedded intersubjectivity, featuring individualisation, ephemeral and intense relations (often short-term projects), assimilation of play and work and a focus on technology. Social relations are supposed

to be not ‘narrational’ but informational, based primarily on an exchange of data and not on a mutual experience or common history. This can be understood in contrast to ‘community’ which involves stability, coherence, embeddedness and belonging. Crucially, in a network sociality the social bond at work is not bureaucratic but informational; it is created on a project-by-project basis, by the movement of ideas, the establishment of only ever temporary standards and protocols, and the creation and protection of proprietary information.

Interestingly, both technology and face-to-face mediated interaction are seen to be important in a network sociality. In regards to the former type of interaction, databases are said to constitute important tools for networking practices. In this context, Manovich (2001) calls databases the dominant symbolic form of the twenty first century. For the latter type, Storper and Venables (2004) claim that face-to-face contacts remain central to the coordination of the economy. This trend occurs despite the remarkable reductions in transport costs and the astonishing rise in the complexity and variety of information - verbal, visual, and symbolic - which can be communicated nearly instantaneously. They point to four reasons: it is an effective communication tool, it can help solve incentive problems, it can facilitate socialisation and learning, and it provides psychological motivation” (351).

Associative practices include institutional dialogue and negotiation which are geared to ease self-organising governance between institutions. The self-organisation of inter-organisational relations involves the “negotiation and positive co-ordination in task-oriented ‘strategic alliances’ based on a (perceived or constructed) coincidence of interests and dispersed control of the interdependent resources needed to produce a joint outcome which is deemed to be mutually beneficial” (Jessop, 1998, 33). These dialogic dimensions of inter-organisational relations may help to formulate and represent the identities and/or interests of different institutional orders, and so eases inter-systemic communication.

Another connecting practice is leadership, which has become a global buzzword in business and political circles lately. New Zealand is no exception. Leadership research focus has moved from early studies on ‘Great Men’ in history to work on rational-legal authority, servant leadership, visionary leadership and network leadership or how leadership occurs across members of a network (McKinsey and Company, 2003). The

latter approach produced descriptions of how leadership is enacted as a distributed responsibility. Knowledge leadership can be viewed as an example for this kind of leadership (Knowledge Wave, 2003). Leadership and problem-solving require personal courage and imagination, continually learning from experiences as well as an appreciation of inter-personal qualities such as the ability to communicate with and inspire others (Gray, 2003). But it also involves forcing people to deal with uncertainty, doubt and ignorance (Cronin, 2004).

Project management is another form of an associative practice that can be broadly linked to the search for governing ever more fluid and market-responsive organisational forms in project settings (see Lundin and Soderholm, 1995; Midler, 1995; Lundin and Midler, 1998; Hobday, 2000). Two bodies of literature allow entry points. One comes out of business studies and is based on a perception of a project “as a distinct, manageable activity system that, once having been designed using the proper scheduling, can be isolated from the environment” (Blomquist and Packendorf, 1998, 38). In this sense, project management concerns the execution of goals and the use of technical instruments such as budget plans and deadlines. However, according to Sahlin-Andersson (1992), it also has to address the causal ambiguities, interest conflicts and legitimacy issues one normally finds in social relationships.

The other literature concerns ‘projectification’, a hybrid organisational arrangement in the ‘swollen middle’ between markets and hierarchies that became theoretically anchored in the notion of networks (Grabher, 2001). It understands project networks as constituting an organizational form of co-ordinating activities and relations among legally autonomous, but functionally interdependent firms and individuals. Project network relationships are characterised by a fundamental tension between flexibility and stability, the former being necessary for achieving the operational objectives of projects and the latter being required to facilitate coordination and develop a community of practice (Sydow and Staber, 2002). Grabher proposed the term ‘project ecology’ for the space of interdependencies between projects and the particular firms, personal relations, localities and corporate networks from which these projects draw essential sources. It provides the organisational arena in which incongruent physical and organisational layers are ‘stapled’ for a limited period of time - just to be reconfigured anew in the context of subsequent projects (Grabher, 2002a). One key aspect of such projects is the practice of providing organisational spaces for summarising and evaluating project

experience and transferring it to related or derivative projects, which in turn promotes cross-project learning (Grabher, 2002b). In his recent work, Grabher elaborates further on the role of knowledge governance and different types of project-based learning in 'project ecologies' (Grabher 2004a; 2004b).

Actor-Networks, Constitutive Governing Effects and Assembled Governance

An important network-focused literature has become known as Actor-Network-Theory (ANT) (Callon, 1986; Latour, 1986; 1987). According to this body of knowledge, the modern constitution or world view uses one dimensional language operating within the framework of opposite poles of nature and culture. Knowledge and artefacts are explained either by society (social constructionism) or by nature (realism). In order to transcend this dualism a second dimension, the process of nature/society construction that results in the stabilisation of a strong network is needed. By selecting this process as a unit of analysis, it is possible to understand the simultaneous construction of culture, society and nature (Callon and Latour, 1992).

ANT is a relational and process-oriented sociology which aims to study reality as transitional in its becoming, and as trajectories of creation. It treats agents, organisations, institutions and devices as interactive effects which are characterised by their heterogeneity, their uncertainty, and their contested character (Latour, 1986; Law, 1992). In this context, organisations and institutions may be understood as more or less precariously patterned roles played by people, machines, texts, buildings - all of which may offer resistance. The actor can be defined as any element which bends space around itself, makes other elements dependent upon itself and translate their will into the language of its own. Common examples of actors include humans, collectivities of humans, texts, graphical representations, and technical artefacts (Callon, 2003).

According to this theory, networks are sets of relations that can straddle diverse spaces (Murdoch, 2000). An actor-network can be conceptualised as a heterogeneous network of aligned actor interests. The creation of an actor-network is termed 'translation' which consists of three major stages: problematisation, interessmant, and enrolment. The first term defines the first moment of translation during which a focal actor defines identities and interests of other actors that are consistent with its own interests. The second term involves a process of convincing other actors to accept the definition of the focal actor

(Callon, 1986) and enrolment refers to the moment that another actor accepts the interests defined by the focal actor (Sidorova and Sarker, 2003). An example for a major strategy of enrolling others is where authors establish equivalences among problems in texts (Callon, 1986).

Power is characterised as a concealed or misrepresented effect, rather than a set of causes. The effects of power are generated in a relational and distributed manner within the network. ANT understands networks as sets of power relations. However, power lies not within the macro-actors themselves but in the links that bind the actors and entities together (Latour, 1986). This allows the deconstruction of the 'powerful' into multiple sets of contingent relations (Murdoch, 2000). In terms of power, the important action is the creation of a network that allows resources and capacities to flow as is the connections of varying networks.

Callon (1997) introduces the concept of framing. He calls a boundary, within which interactions - the significance and the context of which are self-evident to the protagonists - takes place more or less independently of their surrounding context, a 'frame'. The framing of action is defined as a set of tacit agreements without which action would not be possible. In economic theory the violation of the framed action - the overflow - is seen as an accident, which is either hard to identify, or it is recognised in contract negotiations. In constructivist sociology however, overflows are the rule and framing is considered expensive and artificial.

Networks, governmentality and governance aspects have recently been combined in the literature. Le Heron (2005b) posits that emergent relations of power are interwoven with networking and positioning to enrol or constrain others, whether located nearby or at a distance, into particular alignments. He observes governmental and governance practice to be linked to an expansionary momentum of political projects that are initiated expressly as interventions, which comes from the assemblage of actors, objects and resources that produce in their particular combination, constitutive effects. Larner (2001) interprets the findings of a New Zealand case study on new industry strategies as assembled governance. She states that the precise role of the 'facilitative' or 'enabling' state could not be defined ahead of time, nor could that of the partners. Rather, it was through debates and deliberations over how to achieve the goal of international competitiveness that the new form of governance was 'assembled'. This assemblage

involves many different kinds of knowledges including not only that of government officials, but also industry participants, regional actors, consultants, and technical specialists.

These forms of knowledge also depend on specific practices to constitute the new objects and subjects of economic governance. In this context, Thrift and Walling (2000) suggest that geographers are interested in examining how networks of actors produce the spaces within which they operate using particular forms of calculation and representation. This literature focuses attention on the 'intermediaries' (including texts and technical artefacts as well as human beings) that allow networks to come into being and define the roles played by various actors (Larner, 2001).

Practical Dimensions of Governing: Performances, Ideas, Numbers

The literature increasingly points to the role of performances in the every day making of governing. The underlying claim is that social and economic transformations as well as individual identities, are, at least in some sense, constructed in and through social and individual action (see Thrift, 2000; Gregson and Rose, 2000). Thrift's non-representational theory acknowledges the significance of performances in constituting everyday life, which can be summarised in the phrase "performing differently in order to think differently" (Thrift, 2004, 93). He observes the emergence of highly performative styles and cultures of doing business as a key foundation for the growth of the new economy at the end of last century.

Another central factor in the process of how governing is achieved in contemporary governance contexts is related to the importance of ideas. More so than knowledge per se, ideas and the correlated concept of creativity are said to be vital in both capital accumulation and territorial development processes (Florida, 2002a; Osborne, 2004). The spread of ideas can be associated with the co-called cultural circuit of capital that can be understood as a "machine for producing and disseminating knowledge to business elites" (Thrift, 1997, in Thrift, 2001, 415). It includes business schools, management consultants and management gurus. Osborne (2004) points to an emerging intellectual practice of mediation that - rather than past models of legislation, expertise and interpretation - seems to become the key way of intellectuals and academics to engage in society under contemporary conditions of the knowledge society. Mediation

serves to move things and projects in ‘vehicular’ fashion that is integrally public, collective and interactive.

Finally, governing also focuses increasingly on calculative practices such as audits and benchmarking, and the use of numbers in general. Audit for example is said to not only give power and authority to numbers, but has also begun to structure social expectations in such a way as to create new principles of organisation (Strathern, 2000). Porter (1995) highlights the disciplining role of numbers and quantification. To him, mathematics, which has long been almost synonymous with rigor and universality, can easily travel in space, coordinate activities, settle disputes and minimise the need for intimate knowledge. Larner and Le Heron (2004) use the term indicatorisation to describe the proliferation of number-based strategies in social and economic arenas.

The insights on the practical ways of how governance is constituted outlined in this section allows the posing of a number of questions that guides the inquiry into the construction of Auckland’s economic management. An important empirical task is the investigation of the work circulating discourses and policy practices in particular institutional arrangements do for Auckland’s global economic participation. Other questions focus on the new governmental and economic spaces that are constituted by contemporary interventions in Auckland. Another issue concerns the role actor networks, networking as well as performances, ideas and numbers play in influencing particular governance outcomes.

Political Projects and Policy Discourses in Territorial Development

Political Projects for Governing Society and Economy

This section outlines key circulating policy discourses that focus on the goal of interventions into national, regional and urban economies. According to Larner *et al.* (2005), these policy discourses and their underlying policy and programmatic innovation in economic and social arenas can be understood as overlapping, intersecting and constantly re-worked series of political projects. Key political projects have been formed around particular salient topics in regards to national, regional and urban development in economic, social, environmental and cultural spheres. These conglomerates of programmes and initiatives have been partly expressed through,

documented in, and have left over time a trail of substantial body of policy discourses that circulate in many governing sites across spatial and institutional contexts. In New Zealand for example, these political projects have in recent times included broader texts on the knowledge economy and knowledge society, sustainability, competitiveness as well as state-centred discourses such as policy integration, joined-up government and partnerships. At this stage of the literature review they will be introduced briefly to make visible the more discursive threads of current political strategies to manage economic actors, activities and spaces.

A first political project that warrants attention is the strategic pursuit of developing a knowledge economy. In recent times, the narrow view of knowledge as a factor of production has been challenged in a number of countries by a partly politically-driven shift towards a wider, non-economic formulation of knowledge that constitutes a key ingredient of the knowledge society. In the New Zealand context, the 1990's had seen the rise of the political project of the knowledge economy as the country was shown to slip further down the OECD league table. Recently, this political project has been transformed to a pursuit of the knowledge society that will allow the sharing of knowledge between all sectors, including government, business and the community (Larner *et al.*, 2005). This involves the construction of new generally desirable capacities among people and workforces such as life-long learning, reflexivity, training and re-training and high higher education participation rates. More generally, progress towards a knowledge society is said to be achieved by building relationships that will allow the sharing of knowledge between all sectors, including government, business and community.

Another political and academic discourse that is gaining significance in governmental arenas, and in fact can be understood as an influential political project now, is that of sustainability. In the 1970's and 1980's, the term was used to signify a governmental concern with the preservation of all necessary resources for livelihood of future generations (Brundtland, 1987). In the New Zealand context, sustainability had moved to a discussion about biophysical processes. Larner *et al.* (2005) contend that this term just recently emerged as a collaborative technique involving the rethinking of relationships between environment, economy, society and culture. They further explain:

Sustainability is, of course, an ambiguous object of governance. Like all key words sustainability is doing different work to what might initially be assumed. This comes from how sustainability narratives are constituted, out of different situations, by differently positioned actors. It comes from who is mobilised, how, into engagement, to confront issues and to answer questions. It comes from how the tradeoffs and effects around more and less sustainable practices are framed. The general point is that sustainability as an idea is sufficiently intelligible and attractive to most to be the justification for opening new political spaces. (Larner et al., 2005, 12)

The concept of competitiveness has grown significantly in the past decade, and it is now common for cities, regions and nations to assess, improve and publicise their competitive standing vis-à-vis other places (Porter, 1998b; Malecki, 2002). The competitiveness of places, localities, regions and nations can be referred to as the ability of the local economy and society to provide an increasing standard of living for its inhabitants (Malecki, 2000). The idea of urban competitiveness can be traced back to Harvey's work on entrepreneurial urban governance as a response to increased inter-city competition (Harvey, 1989). Central to the imagination of a competitive global urban system is an awareness of the economies, wider living arrangements and policy arrangements of other cities. In this context, benchmarking practises have been said to be on the rise in public sectors. Competitiveness has become a key marker for political strategies concerned with attempting to politically manage economic transformation in many national and sub-national economies around the world lately.

Betteley and Valler (2000) highlight that since the mid-1990's policy integration has become an increasingly salient theme within central and local government policy-making in the UK. As part of a broader state strategy, policy integration is associated with changes to state representational forms, internal structures and patterns of policy intervention (Jessop, 1990; Oatley, 1998). Betteley and Valler (2000) survey results show that the trend from local economic strategies to 'integrated economic and social strategies' has been more a multi-agency led process rather than a local council-led one. Valler and Betteley (2001) examine the emergence of ostensibly integrated local economic and social strategies in two English metropolitan districts. They locate the roots of integrated policy in the changing ideological foundations of the relationship between economic and social policy under 'late Thatcherism' and 'New Labour'. For them, policy integration happens through institutional arrangements such as broadening local partnerships, internal state structures including central government dictate and

patterns of more 'strategic' intervention covering economic, social and environmental policy spheres, as well as through individual 'state projects' such as regional development agencies.

Discourses on policy integration and 'joined-up government' and governance have recently been introduced to New Zealand's social and economic policy making (see Larner, 2003). In the UK, 'New Labour's particular preoccupation with joined-up government has been closely associated with a discourse on partnerships that has been circulating in British policy circles for several years (Deas and Ward, 1999; Mawson and Hall, 2000). Recent times have seen sustained efforts to formalise partnerships in New Zealand. In this political project the desire is expressed to develop new relationships between national government, local institutions and communities (Larner and Craig, 2003; Larner *et al.*, 2005). From the highest levels, partnership working is urged in normative terms as policy makers argue that strengthening local communities through the mechanism of local partnerships will help New Zealanders to respond more positively to economic and social change. One consequence has been a shift from partnerships as localised initiatives that emerge out of the activities of a group of like-minded individuals and/or organisations, to partnership working as a 'mandatory tool' in the social sector (Larner and Butler, 2005). In economic development, partnerships are seen as discursive means to do associative work on the state-economy interface. For example, central government's Regional Partnership Programme (RPP) acknowledges a particular partnership structure in each New Zealand region that can function as a lead agency for local economic development planning (Dalziel and Saunders, 2004).

The Study of Policy Discourses in Governance Contexts

Policy discourses in sub-national governance contexts have received particular attention in the field of urban studies. A discursive turn in urban research - incorporating both political economic and cultural political urban research - has seen researchers to seek to integrate the study of language and culture into urban geographical analysis (for example Beauregard, 1993; Schon and Rein, 1994; Hajer, 1995; Hastings, 1999a; 1999b; Taylor, 1999; Amin *et al.*, 2000; Imrie and Raco, 2003). Various forms of discourse analyses have enriched the understandings of discursively mediated transformations in urban governance contexts. A central theme in discourse analysis work is the recognition that policy decisions constitute a setting where different groups

compete to establish a particular version of 'reality' in order to pursue their objectives. The methodological assumption is that these conflicts are revealed in texts and speech as well as in the actions of individuals, interest-groups and government agencies (Jacobs, 1999).

Lees (2004) distinguishes between three roles of discourse analysis in relation to wider socio-economic actors. First, discourse analysis descending from the long Marxist tradition of ideology critique is a tool for uncovering certain hegemonic ways of thinking and talking about how things should be done that serve certain vested interests (Beauregard, 1993; Eisinger, 2000). Secondly, recent work has emphasised the role of discourses as indicators and makers of actor-arrangements, such as 'discourse coalitions' in urban politics and policy (see Davoudi *et al.*, 1997; Mossberger and Stoker, 1997). Theoretically, this work takes for granted the identity of the actors in question and theorises the way coalitions form not in terms of the shared material interests but through discourse and persuasion. The argument is that the rhetoric used in policy debates influences the relationship between policy actors as much as it reflects them. Finally, discourse analysis is used to show how policy discourses are produced and trace out discursively performed institutional work (Gregory, 1994; Rydin, 1998).

Healey (1999) argues that in these practices, policy agendas are reinterpreted and remoulded, to create different discourses which have the potential to maintain alternative sources of power and act recursively on the original frames of reference and transform them. In this context, policy processes are viewed as the product of complex social relationships through which 'political communities' articulate ideas and frames of reference which then guide the way collective resources (allocatory power) and rules (regulatory power) are deployed (see Giddens, 1984). These ideas and the frames of reference within which they become embedded (policy discourses) carry power into the fine grain of action (the practices of agency), performing "persuasive, justificatory, coordinative and directive work" (Healey, 1999, 27).

Building on Lukes' (1974) concept of three dimensions of power and combining it with insights from ANT that stresses the nature of power as invisible effects, Healey (1999) argues that policy discourses operate at different levels. On the surface, there is a continual play with new metaphors and turns of phrase which may lead to a new vocabulary over time and insert new meanings as well as new metaphors into a policy

discourse. At the second level are more powerful discourses which generate systems of meaning about an area of policy. They define what the issues are, who should be involved in them, what arguments and styles of argumentation are appropriate to discuss them and how policy actions should be evaluated. At the third level are the frames of reference, not the specific metaphors, which carry power by generating strategic conviction (Habermas, 1993). Behind explicit efforts to change the frames of reference of a policy field, there are also deeper layers of discourse, which reflect cultural reference points of which participants are often unaware. Much of the change in policy discourse leaves the deeper levels of discourse framing unaffected. Thus “apparently successful efforts in the transformation of policy rhetoric may fail to transform policy practices because either the rhetoric does not reach the routines of practice or the changes leave contradictory deeper cultural assumptions in place” (Healey, 1999, 28). Schon and Rein (1994) argue that policy actors need to develop sophisticated reflexive skills to be able to identify all three layers as manifest in policy controversies.

There is a complex relationship between policy discourses and institutional settings in which they are produced or circulate. Hastings (1999) for example shows the dynamic nature of policy discourses and how they get transformed during institutional interaction in partnerships. Healey (1999) suggests that there are multiple influences on policy discourse development and illustrates how the evolution of policy discourses in a policy arena involves complex relations between different policy fields, levels of responsibility and regulatory and investment relationships. She shows how a focus on policy discourse takes analysis beyond merely an account of policy agendas to an appreciation of the institutional work which discourse development performs. Her case studies demonstrate that the formal ‘authors’ of planning policies at the local level only sometimes ‘write their own script’. They also “act as collators of text, ‘cutting and pasting’ from national policy directions and from demands from related policy arenas to produce the local discourse on economic development sites” (39).

Policy discourses are also diagnosed in neo-Foucaultian fashion. Atkinson (1999) for example points to the fact that they produce their own ‘regime of truth’ and determine what can be legitimately included in and what is excluded from debates. His paper focuses on the discursive construction of partnership and empowerment in the official discourse of contemporary British urban regeneration. It argues that partnership and empowerment are not neutral terms but are discursive constructs; the meaning assigned

to these terms is thus the result of the exercise of power, which in turn has a crucial role in structuring the discursive context within which urban regeneration partnerships operate. He argues that the official discourse constructs a top-down view of the regeneration process and the community's role in that process. Paddison (1999) focuses on the discursive strategies employed by two urban Scottish local authorities and shows how local decentralisation can become commodified as both a good and as 'good practice'. Analysis of the texts used to advocate local decentralisation identifies the "language through which the marketing of power is conveyed" (107).

A key methodological tool in the examination of policy discourses is an approach called critical discourse analysis (CDA; see Fairclough, 1995; 2003). This perspective provides a way of moving between close analysis of texts and interactions, and social analysis of different types. Its objective is to show how language figures in social processes. It is critical in the sense that it aims to show non-obvious ways in which language is involved in social relations of power and domination, and in ideology. Fairclough (2001) considers it a resource which can be used in combination with others for researching change in contemporary social life - including current social scientific concerns such as globalisation, social exclusion, shifts in governance, and so forth. He explains that "[l]anguage has become more important in a range of social processes. [For example] [t]he emergence of a 'knowledge-based' economy means an economy is also 'discourse-based' in the sense that new knowledges are produced, circulated and applied" (231).

The previous discussion on academic and policy work in regards to sub-national economic intervention raises questions. These focus on the ways political rationalities, programmes and identities are re-compositioned around Auckland's economy (Larner, 2000). Others include: What discourses are circulating in Auckland's economic governance arena? What role and what effects have supply-side interventions in the case of Auckland? What can be said about the role of local institutions in mediating economic processes? How does the partnership discourse materialise? Which new policy practices are emerging? Where are spaces for movement in the policy world to affect desirable change in achieving outcomes? And which actors are included or excluded, which interests are privileged and who speaks for whom in policy practice?

Region, Institutions, Knowledge: Changing Economic Activity and Public Policy Interventions on Sub-National Scales

The Importance of the Urban and Regional Scale in a Globalising World

Without confining the analysis solely to the regional level we seek to make the case that this may be the most appropriate, most manageable, strategic, yet locally-sensitive level of social organization at which future economic development policy should be pitched to secure significant economic gains. (Cooke and Morgan, 1998, 7)

This section reviews literatures that focus on particularly important aspects of contemporary economic activities and processes that are expressed most saliently at sub-national scales. Under conditions of globalisation, economic processes are said to have intensified in sub-national spaces. Therefore, policy interventions aimed at successful urban and regional development have become key arenas for governance and governmental considerations. This trend can be associated with wider shifts in the nature of economic activity away from labour-intensive production to knowledge and innovation rich work. The latter types of activity are said to be territorially embedded in interactive social relations and institutionally-rich local cultures, an area which has become a fashionable domain for supply-side policy thought lately.

Two recent academic schools of thought have been particularly influential in this regard. First, the 'new regionalism' - consisting of contributions from what has been termed the 'institutional turn' in economic geography as well as from urban and regional studies (see for example Ohmae, 1993; Cooke, 1994; 1997; Florida, 1995; Gertler, 1997; Morgan, 1997; Storper, 1997a, 1997b; Scott, 1998) - (re)discovered the 'region' as a key arena of economic and non-economic processes that serves as an important source of competitive advantage in the globalising economy. This resurgence of the regional scale can be partly attributed to case studies showing the success of highly dynamic regional economies and industrial districts, which draw extensively upon local assets for their competitiveness (e.g. Baden-Wurtemberg in Germany and the 'Emilia Romagna' in Italy). Second, the so-called 'New Economic Geography' perspective which emanated from economics (Romer, 1990; Krugman, 1996a; 1996b) claims against conventional economic wisdom for increasing returns of local economic systems based on the cumulative effects of knowledge accumulation.

Simultaneously, recent developments in the understanding of spatial economic processes have pushed the urban scale to the forefront of academic and policy debates. Scott (2004) for example suggests the conceptualisation of the modern world-economy as a ‘mosaic of city-regions’. Urban places are said to compete more favourably now for global economic resources in production and consumption terrains on the bases of knowledge production (Knight, 1995; Kresl, 1995; Landry *et al.*, 1998), urbanisation economies (Hansen *et al.*, 2001), quality of life features (Rogerson, 1999; Begg, 1999), creativity (Ache, 2000; Landry, 2000; Florida, 2001; 2005b; Asheim and Clark, 2001) and ‘strategic’ entrepreneurship (Jessop and Sum, 2000). As an example, Knight (1995) and Lambooy (2002) frame the city as a space of knowledge-based development where its knowledge resources, knowledge cultures, core competencies and their local and global linkages form the domain of success which directs subsequent policy intervention.

These changes in the conceptualisations on the workings of the spatial economy have strongly influenced policy thinking. In the field of economic development, Pike (2004) sees sub-national spaces as integrally contributing to the heterodox approach in contrast to former orthodox frameworks of Keynesian and neoliberal nature. As national institutional configurations are said to be fragmenting into more complex, multilayered, and decentralised structures around the sub-national scale, local and regional institutions are assuming a more important role in shaping economic activity in concert with national and supranational institutions. Other influences on new policy thinking include the development of specific territorial-institutional conceptualisations of the social regulation and governance of economic development (Barnes and Sheppard, 2000), theories of the ‘associational economy’ (Cooke and Morgan, 1998), ‘institutional thickness’ (Amin and Thrift, 1995) and ‘local and regional institutional regimes’ (Grabher, 1993).

The increasing focus on sub-national economic processes and their governance can be linked with a rising attention to the work of institutions and the ‘non-economic’ in urban and regional development. Hence, the new regionalist perspective can be closely related to the institutional turn in geography. From this view, urban and regional processes are institutionally mediated, and economic action is socially embedded. Institutions can be understood as “routinised thought processes that are shared by a number of persons in a society” (Hodgson, 1993, 125). They are thought to be necessary

to coordinate social and economic life. They extend beyond formal institutions to include sets of formal and informal rules, norms, conventions and habits that guide actor behaviour. The economic literature claims that through the vehicle of the institution, economic institutionalists provide the possibility of contextual and culturally sensitive accounts (Barnes and Gertler, 1999). Drawing on insights from evolutionary and institutional economics, economic life is described as both, an instituted process and a socially embedded activity that is context-specific and path-dependent in its evolution. Against orthodox assumptions about the rational individual or machine-like rules, institutional academic thought stresses processes of institutionalisation as a means of stabilising and interpreting an economy that is essentially non-equilibrating, imperfect and irrational (Amin, 1999).

Storper (1997a) takes inspiration from theories of evolutionary economics, industrial districts and French convention theory to examine in more depth the institutional forms that enable regional economies such as the Third Italy, Silicon Valley, and Ile-de-France to remain competitive (see also Storper and Salais, 1997). For him, part of the answer lies in a territorial integration of ‘untraded interdependencies’. These are region-specific assets emerging from public organisations alongside locally derived customs and rules of action. In this context, reflexivity is understood as the central characteristic of contemporary economies. Crucially, this new era of reflexive territorially based capitalism is essentially relational; as the “guiding metaphor is the economy as relations, the economic process as conversation and coordination and the nature of the economic accumulation as relational assets” (Storper, 1997a, 28). In Storper’s eyes, regional economies are becoming ‘stocks of relational assets’.

Amin (1999) in contrast, sees the new regionalism as offering a solution to regional problems based on the mobilisation of local resources. It also offers a very broad definition of what constitutes economic action which emphasises institutional reflexivity, learning potential and social creativity. However, the critical factor for economic success for him is not the presence of local relations of association and institutional advancement, but the ability of places to anticipate and respond to changing external circumstances. Thus, building the wealth of regions (not the individual firm) with upgrading of the economic, institutional and social base is considered a prerequisite for making particular sites into key staging points or centres of competitive advantage within global value chains. One of such wider regional and urban success

factors has recently been termed 'quality of life'. Rogerson (1999) views it as a central ingredient in city competitiveness discourse where cities are marketed in order to attract global capital in both, production and consumption circuits.

The turn towards institutions in the analysis on urban and regional development has been critiqued by a range of commentators (MacLeod, 2001; Lovering, 1999; 2001). MacLeod (2001, 1145) for example, points out a

...[t]hin political economy most discernible in the failure to appreciate fully the crucial role of the state in shaping the urban - regional process, and a related weakness in examining the asymmetries of power which enframe the governance of space economies.

Lovering (2001, 392) describes the new regionalism as a rather vague framework which "licenses speculation on possible relationships between hypothetical actors at an imprecisely specified level of ideal-typical abstraction". Bianchi (1998) considers the inclusive, institution-based local development model to be time and place-specific and applicable only to the Third Italy at a very specific time in the 1980's. As pointed out in Taylor, M. (2001), the academic hype around the new regionalism is for Bianchi an ideologised process of inappropriate universalisation.

Changing Economic Activities, Factors of Production and the Role of Space

It is claimed that we are now in a 'new era' of economic activity dominated by the emergence of a knowledge-based economy [which] is more strongly and more directly rooted in the production, distribution and use of knowledge than ever before. (Foray and Lundvall, 1996, 12)

The turn to regions and cities in theorising economic processes and designing interventions can be associated with changes in economic activities, the factors of production and how they are mixed in the wealth creation process. One of the most important reasons for the increasing attention to sub-national spaces of economic activity can be seen in the perceived rise of knowledge as a key factor of production. A re-theorisation of the firm constructs it as a knowledge-creating entity and argues that knowledge and capability to create and utilise such knowledge are the most important sources of a firm's sustainable competitive advantage (Nonaka and Takeuchi, 1995). While Isaksen and Aslesen (2001) argue that the most important knowledge sources for innovation are found within firms, Lundvall and Johnson (1994) and Gregersen and

Johnson (1997) view the learning economy as central in contemporary capitalism. Tacit knowledge which defies symbolic forms of representation is said to play a particular role in this context through its dynamic learning-through-interacting dimension (Howells, 2000; Gertler, 2003) and its capacity to generate trust between economic agents (Granovetter, 1985).

Recent theorisations have extended key attributes of the firm and production to wider territorial processes. The 'learning region' idea (Florida, 1995, Simmie, 1997) for example is an attempt to combine insights from technology and infrastructure-mediated regional development of western countries with ideas around the successful industrial practices of 'holistic learning' in the Japanese context. In this perspective, "regions are becoming focal points for knowledge creation and learning in the new age of global, knowledge-intensive capitalism" (Florida, 1995, 527). Malmberg and Maskell (1999) point to the specific localised capabilities of a region in form of its resources, institutions and social or cultural structure as strong influencer of processes of local knowledge creation and learning. Keane and Allison (1999) suggest that the framework of the 'learning region' to be a very fruitful mechanism to measure the role and value of universities in the local economy. Finally, Henry and Pinch (2000) introduce the concept of a 'knowledge community', which is presented as a particular knowledge space that is characterised by strongly interlinked processes of knowledge generation and dissemination.

The preoccupation with knowledge has recently been complemented with an increasing interest in the related concept of creativity. The 'creative city' idea (Toernqvist, 1983; Hall, 1998; 2000; Landry *et al.*, 1998; Landry, 2000) is a rather vague mix of factors which might create urban advantage in the global arena. The creative milieu in cities is said to unleash innovation. Not surprisingly, tight regulatory power structures, bureaucratic proceduralism, short-term thinking and too great an emphasis on competition rather than collaboration are seen as impediments, while unrestricted information flow and grass-root-level partnership structures in an atmosphere of tolerance, risk-taking and experimentation are constructed as facilitating the generation of creativity in the urban context (Landry *et al.*, 1998). Florida (2000) sees cities as central in the emerging economic geography of talent and of creativity and stresses cultural diversity and tolerance, low entry barriers and high levels of urban service as desirable attributes.

The emphasis on knowledge in economic activity has led the creation of a powerful global knowledge economy discourse that confers particular capacities on regions, organisations, and individuals (Jessop, 2002b). But the focus on knowledge and learning has also been critiqued. Hudson's (1999) Marxist-informed analysis stresses that learning in general and the 'learning region' concept in particular draw attention to the continued existence of the social structural constraints which sets limits to capitalist development. He contends that even for those regions which become 'learners', the cost for travelling the 'route to competitiveness' may be high as the internal social division and the polarisation among its population increases. Using Copenhagen as a case study, Hansen *et al.* (2001) provide a sweeping critique on the 'creative city' idea which they label as a 'hyped normative vision' associated with place-marketing strategies in inter-city competition for investors whose discourse masks increasing social and labour market polarisation.

Closely related to the role of knowledge in the economic process is a rise in importance of human factors in production processes. Over the recent decades, three key concepts which share a common understanding of the increasing importance of people in knowledge and wealth-creating processes have been circulating in academic and policy discourse. First, the human capital idea (Romer, 1990) basically talks about the society's endowment with educated, trained and healthy workers which engage in 'lifelong learning'. This notion signifies the cognitive abilities of individuals to produce wealth. Second, a revived concept of social capital emphasises the civic and social cohesion of societies (Putnam, 1993; Fukuyama, 1995). Putnam (1993) argues that these societal attributes have declined in the US, which in turn threatens societal prosperity and impedes regional growth. Social capital has become a catch all phrase in political economy to describe the non-economic and non-political relations which underlie successful development and sustainable democracies (Taylor, P., 2001). Rankin (2002) however highlights the problematic nature of social capital approaches to interventions in developing countries as "promoting social capital through networks and norms of reciprocity may in fact leave people free to carry on oppressive relations" (17). Third, creative capital for Richard Florida (2002) are creative people who produce new and useful combinations of knowledge. Those are said to become the decisive source of competitive advantage. He contends that regional growth depends on the ability of locales to generate, attract and retain the highly skilled workers of the 'creative class'

which are essential for establishing and growing technology-based companies. Thus, economic development is about the attraction of talent and ensuring quality of place (see also Florida, 2001 and 2002a).

Recent understandings of the nature of the firm in urban and regional development have been strongly influenced by notions of enterprise and entrepreneurship (Fredericks, 2004). Based on Schumpeter's (1975) seminal work on 'capitalism as creative destruction', new firm formation is considered desirable as these take advantage of opportunities by novel combination of resources in ways which have impact on the market (Tamasy, 2006). Entrepreneurship promises the stimulation of competitive behaviours as it distributes the financial, psychological and social risks as well as potential benefits towards the individual entrepreneur. For an economy as a whole, rapid firm creation is said to increase the chances for both, quick responses to market opportunities and possible success stories of firm growth up to the point of becoming an exporter. However, in work on the successful entrepreneurial-led models of regional economic growth such as in Silicon Valley (Saxenian, 1994), regional comparative advantage was seen as a set of wider factors including a substantial supply of skilled labour, managerial skills and connections to markets which in sum make a 'regional system'.

Innovation, or different ways of mixing production inputs, is becoming a central feature in conceptualisations on modern economic activity. A burgeoning literature on national (NIS) and regional innovation systems (RIS) has focused on the systemic dimensions of research and innovation. NIS-theorists like Freeman (1987), Dosi (1988) and Lundvall (1992) re-thought how innovation occurs on an above-firm level that resulted in an appreciation of the roles of networks and interactive learning in national scale-centred systems incorporating actors in the field of research, science and technology such as firms and universities. Morgan (1997) shifts attention more to the intermediary institutions such as trade associations and chambers of commerce. Later, analysts shed more light onto the differences in innovation systems, for example Cooke (1998; 2001) by schematising innovation systems typologically, Maskell and Malmberg (1995) in terms of sketching their sectoral constitution, and Metcalfe (1996) by pointing out their global rather than the national nature. RIS's can be understood as geographically bounded concentrations of interdependent businesses surrounded by supporting organisations and institutional infrastructure (Asheim and Isaksen, 1997; 2002).

Lundvall and Borras (1997) justify the shift to the region in innovation studies as these geographic units are seen as important bases for economic coordination at a meso-level where “innovation is produced through regional networks of innovators, local clusters and the cross-fertilising effects of research institutions” (39). Thus, RIS’s can be effective policy tools in regional competitive upgrading (Cooke, 1998). In New Zealand, innovation has been largely associated with the work of the state and a “government [that] has supported and on occasion directed the development of the science and education sectors, in the near absence of private resources” (Le Heron and McDermott, 2001, 14).

Related to an accentuation of innovation and space has been economic geography’s interest in the development of firms, in particular small and specialised firms and their role in spurring local and regional growth based on their dependence on resources that are embedded in place-based communities, their flexibility and innovation in self-organising local economies (Vatne and Taylor, 2000). Perry (1999) however, found that small firm strategies and interaction vary across contexts and that in New Zealand small firms are much less inclined to collaborate with each other compared to, for example, Scandinavian countries. An overall problem with the conceptualisation of the ‘firm’ in economic geography is shown by Taylor and Asheim (2001), who specifically bemoan that geographers have made so little effort to build space and place into conceptualisations of the firm, which in turn undermines efforts to exert more influence in public policy development.

Finally, the role of space has been accentuated in studies on new economic activity. The advantages of being in the right type of local milieu in general and the benefits of spatial proximity between actors involved in business interaction have recently been held to explain differences in the innovative performance of firms and industries (Cooke, 1994; Saxenian, 1994; Morgan, 1997; Asheim, 1997), the existence of industry agglomeration (see Malmberg *et al.*, 1996) as well as the durability of patterns of regional specialisation (Malmberg and Maskell, 1999). Regional agglomeration - or clustering - has received particular attention as a promoter of localised learning, creativity and innovation (Bresnahan *et al.*, 1994; Asheim and Isaksen, 1997; Porter, 1998a). According to Porter, the secret behind the idea of clusters lies in the existence of inter-related specialised industries. To him, clusters are “geographic concentrations of interconnected companies and institutions in a particular field” (1998a) which represent

a robust organisational form that provides advantages in effectiveness, efficiency and flexibility through the promotion of both, competition within the cluster and cooperation in global markets. However, Cumbers and MacKinnon (2004) argue that clusters cannot be regarded as self-contained assemblages of social and economic relations. Therefore, future research has to focus on the “linkages and connections between specific clusters and wider processes of information exchange and knowledge construction within international networks” (967).

Making Sense of the Globalising Economy: From Discourses on Globalisation to the Constitution of Emerging Globalising Economic Processes

Globalisation as Discourse

A vastly growing body of work is concerned with the ways people and places are integrated into wider global processes. Globalisation is widely understood as a process involving the deepening and widening of capitalist social relations. According to Larner and Le Heron (2002a), this conception is largely discursively constructed as political projects looking at the effects of globalisation rather than on how it occurs. Attention moved from an economic understanding of globalisation based on the increased mobility of goods, capital, and labour (Dicken, 1998) to a cultural construction describing the hypermobility of images, information and signs (Appadurai, 1996). Larner and Le Heron (2002a) argue that over the years and influenced by broader trends in social theory which work with metaphors premised on movement, mobility, and fluidity, ‘flows’ (see Castells, 1989) have become the generic and hegemonic metaphor of globalisation. They propose that the international literature is just starting to move beyond the ‘project-notion’ of globalisation to investigate the multiple actual material forms that the increasing global integration of economic processes takes.

In the early 1990’s globalisation entered political discourses, initially in regards to capital attraction efforts, later in terms of labour migration. This new way of thinking about the national economy (Hindess, 1996) involved a policy emphasis on improving international competitiveness, and globalisation emerged as the political strategy for achieving this objective (Larner *et al.*, 2005). Recently, calls for inquiries into the material production of globalisation (Law and Hetherington, 2000) and “the spatial

relational architecture associated with the activation and extension of flows across space” (Olds, 2001, 41) are beginning to be heard. Massey (1999) for example points to the co-constitutive dimensions of discursive and practical dimensions when she claims that “the material and the discursive interlock: the way we imagine globalisation will affect the form that it takes” (35). And Law and Mol (2001) argue that there are four topological systems reflecting the spatial characteristics of science and technology: region, network, fluid objects and fire. Larner *et al.* (2005) argue that the globalisation project is no longer simply a means of increasing international competitiveness; it has become an “all encompassing project in which broad based participation in global flows and networks is understood as imperative” (9).

In the 1980’s and 1990’s, New Zealand discourses on globalisation had been a small sub-theme on the wider discourses on the market-led economy, privatisation, and efficiency focusing on opening borders to economic flows, attracting migrants and foreign direct investment. Conditions for re-building local-global connections were changed, but little was known on how local-global connections might be built and re-built. However, in the late 1990’s the globalisation theme developed into a more coherent political project. One of the emerging discursive concerns was a local interest with issues of migrant settlements and assimilation. In this context, Auckland was particularly affected by the open policy approach to globalising influences as a high percentage of new migrants - often from non-traditional source countries such as Hong Kong or China - settled in New Zealand’s largest city (Friesen and Ip, 1997).

Relational Understanding of Globalisation, Global Cities and Spatial Networks

Globalisation has increasingly been understood relationally. This conceptual shift began with closer empirical attention to the ways economic processes spanning the whole globe are interlinked and interdependent. An important academic body of work in this regard is the extensive research on global hierarchies and networks of cities and city-regions that can be summarised under the labels ‘world cities’ and ‘global cities’ literatures. At the heart of this strand of writings is the description and analysis of the incorporation of some cities into wider global structures of power and exchange. Centrally, these cities are viewed as cosmopolitan metropolis’ that act as command posts for the operations of multinational corporations, as centres of advanced services and information-processing activities, and as deeply segmented social spaces that are

marked by extremes of poverty and wealth (see Hall, 1966; Friedmann and Wolff, 1982; Friedmann, 1986; Sassen, 1991; Knox, 1995; Castells, 1996). From a methodological perspective, early studies attempted to identify the place of one or more cities in a global order on the basis of city attributes while later work identified a *system* of cities within or in relation to the world economy based on linkages (Smith and Timberlake, 1995; Beaverstock *et al.*, 2000).

Friedmann's 'world city hypothesis' (1986) first linked questions of urbanisation with those of economic globalisation, while it simultaneously attempted to establish a system of key cities within the global order. Sassen (1991) went further by focusing on the practices of achieving global control in such cities. She argues that global restructuring is involving both centrifugal and centripetal forces; as at the same time as manufacturing is increasingly dispersed to more remote locations around the globe, various functions involving the command and control of the global production system are concentrated in the global cities of New York, London and Tokyo. Beaverstock and Smith (1996) link global city and skilled labour migration and argue that skilled labour migration within the investment banking sector happens at an international scale, but is concentrated and sustained within and between global cities. Recently, Scott (2001) and Scott *et al.* (2001) extend the 'global city' idea to include a wider 'global city-region' (made up of a metropolitan areas and surrounding hinterland) as an emerging political-economic unit with increasing autonomy of action on the national and world stages. These are said to constitute dense polarised masses of capital, labour, and social life that are bound up in intricate ways in intensifying and far-flung extra-national relationships.

In a large scale empirical project, Taylor *et al.* (2002) try to illustrate how diversity amongst world cities reflects and constitutes power relativities between them. The power of cities is interpreted as both, a capacity ('power over') and as a medium ('power to'). Using a similar data set, Taylor (2003) elsewhere concludes with the help of a simple correlation exercise that New York and London are 'exceptions' rather than 'exemplars' amongst contemporary world cities. This work also pays attention to the changing relations between cities and states in the modern world-system. The authors suggest that world city formation can be understood as the introduction of a particular geographical knowledge nexus for creating new monopoly products (Taylor, 1995). The southern hemisphere in general, and Auckland in particular, have received only limited attention in world/global city-related studies. Taylor *et al.* (2002) allocate a minor

gateway function to this city in regards to intra-firm office connections. In Beaverstock and Taylor's study (1999), Auckland is a world city, because it is a major accountancy service centre. Murphy *et al.* (1999) criticise the global city literature for its general pre-occupation with the northern hemisphere cities. Finally, Fagan's (2000) study on Sydney criticises this strand of literature for overstating the importance of global processes which distracts attention from both, the effects of national policy changes and the local nature of economic restructuring.

In Amin's (2002) view, globalisation is centrally about the spatiality of contemporary social organisation, about meanings of place and space associated with intensified world-level forces such as transnational corporations and global consumption norms. It is also about raised global connectivity through flows of people, goods, ideas, and information aided by rapid transport and communications technologies. He argues for a shift away from the currently dominant discourse of scalar and territorial relativisation, towards relational processes and network forms of organisation that defy a linear distinction between place and space. Relational processes for him stress the importance of actor networks of varying length and duration as well as the world of practices as the central components of a 'topographical' understanding of globalisation. Recently, he extends his ideas to point to a relational reading of place that works with the ontology of flow, connectivity and multiple geographic expressions, to imagine the geography of cities and regions through their plural spatial connections (Amin, 2004). Massey applies the idea of relationality to questions of place identity and suggest that "those spatial identities such as places, regions, nations, and the local and the global, must be forged in a relational way too, as internally complex, essentially unboundable in any absolute sense, and inevitably historically changing (Massey, 1999, in Amin, 2004).

Recently, global economic flows found analytical expression in the idea of the value chain. This concept is closely related to the earlier developed notion of 'commodity chain' (Gereffi and Korzeniewicz, 1994; Gereffi, 1996). A value chain is said to create a web through strong horizontal and vertical linkages that effectively limit the autonomy of local business units (Dicken, 1998; Le Heron, 1998). Le Heron and McDermott (2001) claim that this concept can be understood as the ability to assemble knowledge and capacity from disparate organisations across cultures and localities to produce goods and services with a world-wide market. They contend that:

...the accumulated value can be attributed to no single organisation or locality, and the disposition of the shares of value and the distribution of investment are subject to intra-chain power relations...[t]he process of differential participation of local producers in [the global economy] may reflect what they contribute within a series of value chains...[l]ocal specialisation, rather than being based on the concentration of a particular skill or production base at a particular locality, can be understood as contributions to international economic exchange. (Le Heron and McDermott, 2001, 366)

Territorial development policy from a value-chain perspective suggest that, given a large degree of uncertainty in the workings of international circuits of capital, neither low-cost policies to attract investment nor ‘new regionalist’ frameworks based on specialisation, flexibility and collaboration are sufficient policy models without considering the development of linkages underlying global value chains. Outcomes of value chain participation for a particular area however may be “indeterminate, contextually specific, attainable through multiple pathways and nonlinear in nature” (368). In recent work the authors suggest that Auckland’s economy can be best understood by thinking about how Auckland’s activities and actors are variously positioned in the networks of global value chains and how the organisation of local economic activity impacts on that positioning for different activities and actors (Le Heron and McDermott, 2006).

The constituted ‘Global’: Economic Processes, Imaginaries and Governmental Rationality

Larner and Le Heron (2002b) suggest a re-conceptualisation of globalisation as ‘globalising economic processes’. They critique existing literatures on economic globalisation by bemoaning the lack of engagement with the constitutive dimensions of interrelations in the constitution of space. In contrast, they propose to think about globalisation as a situated project which “alerts us to the socially constructed nature of globalising processes and to the power-geometries of the narratives told, the listening posts by which these are broadcast, the effects in different settings as the stories are learned and unlearned” (416). Globalising economic processes should be seen as new, complex and emerging assemblages and constituting, as well as constituted in, new economic spaces. Importantly, participation may be fluid, informed, motivated, intentional and aspirational. More practically, globalising economic processes involve imaginaries, inventions and experimentation.

Larner (2001) interrogates the globalising economy through a governmental lens. Based on her observation that firms, regions and economic sectors are now constituted as nodes in global economic flows and networks, she calls for more attention to the forms of expertise and knowledge practices through which the global economy has been constituted as the focus of economic governance. By means of a New Zealand case study, she shows that new forms of economic governance can be conceptualised as an assemblage of spaces, subjects, strategies, and numbers. She concludes that globalisation is a governmental process in the making. Larner and Walters (2002) seek a less substantialised account of globalisation and rather invite the researcher to trace mentalities instead of eternal structures. A central claim is that globalisation involves both, de-territorialisation and (re)territorialisation processes. Rather than a unified process, it is more usefully understood as a complex of effects that have shifted spatial and social imaginaries. By placing the emphasis on difference, disjuncture and unintended consequences, the authors aspire to make the universal global particular.

Larner and Le Heron and (2002a) use the phrase ‘imaginaries’ to describe how discourses and practices are constitutive of new globalising spaces and subjects. They propose a shift in globalisation accounts from those premised on flows to the imaginaries that constitute the global as made up of flows. They suggest that global imaginaries can be usefully understood as actor networks, which include both discursive and technical dimensions. Thus, the globalising economy involves practices and techniques that link not only subjects but also material objects. They pose re-phrased questions such as what are the imaginaries through which the globalising economy is being constituted as a domain of flows, and how these imaginaries are made manifest in processes and practices.

Law and Mol (2001, 614) contribute to the discussion of globalisation by suggesting that it can be understood as involving the displacement of immutable mobiles within networks. In this perspective, the global is a network for the transportation of objects such as information, scientific findings and technological artefacts that travel in invariant shapes. They distinguish between four categories depicting what is flowing, moving, translated, and assembled through global imaginaries: a self-sustaining immutable mobile travelling within a network space, an immutable immobile, which holds its place within network space and does not travel, a mutable immobile, which changes its configuration but not its location and mutable mobiles, which flow in

different configurations into different locations. They stress that these processes are central to the constitution of global objects and subjects.

Larner and Le Heron (2004) view calculative practices associated with benchmarking, at least for peripheral positions such as New Zealand, as central practices through which new conceptions of global spaces and subjects are being made. Calculative practices also include international standard setting, for which Thompson (1999) suggests that it should receive greater attention from scholars of globalisation and governance. These practices can be understood as techniques through which globalising economic processes are being made manifest, and encourage exploration of their consequences. In this regard, analysts working in the governmentality tradition emphasise that a discourse only becomes a mentality of government when it has the capacity to render itself technical. Numbers are crucial to this process because they, far from being neutral measurements, help make up the object domains upon which government is to operate (Rose, 1999) by bringing together previously heterogeneous and spatially disparate economic objects (Larner and Le Heron; 2002a).

Benchmarking techniques explicitly or implicitly involve the imagining of comparisons across geographically discrete spaces. From this perspective, they encourage social relations to be performed in the same way in different locations. Crucially, rather than about national economies, these practice are about sectors, and organisations and individuals within sectors (Larner and Le Heron, 2002a). From a business perspective, benchmarking involves some sort of systematic comparison of outcomes or processes between institutions, or between institution(s) and some accepted standard (Lundvall and Tomlinson, 2002). Bogan and English (1994) view this practice as the systematic observation of organisational routines and the comparison of performance with superior units at the levels of resource use and efficiency. It is widely seen as a search tool for industry best practices that lead to superior performance and reduce uncertainty and risk. It entails both collaborative dimensions - mutual comparisons between organisations in bottom-up fashion - and competitive dimensions which are rather external, standards-based and top-down. Porter (1995) stresses that quantitative techniques such as benchmarking have been refined over time as they have become disembedded from national contexts. Among the many problems with this technique are the issues of best practice being valid only under very specific socio-economic and cultural-institutional conditions, the disadvantages of the so-called lemming effect

(...copying tomorrow's loser) and the problem with the 'intensification' nature of selection processes which results in too little diversity and heterogeneity (Lundvall and Tomlinson, 2002).

Benchmarking can be associated with the rise of new and mobile 'epistemic communities' of high-level professionals and technocrats (Larner and Le Heron, 2002a) which are creating regimes of truth and intelligibility (Rose, 1999). Benchmarking is becoming an industry itself, while establishing itself as key governing practices in the global orientation and development of industries, organisations and individuals. In New Zealand's neoliberalising space, calculative practices such as benchmarking are well entrenched, doing significant work and shifting and shaping spatial consciousness. In the process, the global has become more knowable by placing the experiences and performances of others into quantitatively and qualitatively encoded proximity (Larner and Le Heron; 2002a).

Finally, Larner *et al.* (2005) suggest that a new governmental rationality emerges in New Zealand in the form of a 'global connectedness'. Larner (1997) states that - as international competitiveness became more central to political ambitions at the time - there was a distinct shift in the object of economic governance resulting in the intensification of global connectedness becoming the prevailing governmental rationality. In her work on a call centre attraction initiative (2001) she shows how these connections are imagined. She claims that in the specific form of this policy project, both discourses and practices allow the creation of a unified business and administrative environment, thereby constituting global flows and networks as the new objects of economic governance. Those, therefore, can be viewed as mediated by rationalities of government (Hindess, 1998). In this context, problems of economic policy are being rethought through a revised image of economic space and the means by which it can be acted upon (Rose, 1999).

Larner *et al.* (2005) claim that global connectedness is considered part of a wider globalising governmentality in which the new 'common sense' includes also institutional reflexivity and active citizenship. For them, this is not a nationally bounded rationality; new ambitions for global connectedness are now explicitly linked and shaping a range of political projects. An example is the establishment of formal expatriate networks in economic, environmental and cultural domains, in which the aim

is to build and maintain transnational links that will foster national development in New Zealand. Based on this body of academic work, a range of questions can be posed for the empirical part of this study. For example, it can be asked how the insertion into the globalising economy of actors and activities that make up the Auckland economy is imagined in contemporary policy discourses and practices. Or how benchmarking affects actors' conceptualisations on what ought to be governed in this particular moment, or in other words, what are the imaginaries that are created through this particular practice? And finally, what can be said about the influence of public policy on the constitution of emerging globalising economic processes in the Auckland context?

Assemblage of Literatures: A Framework for Exploring Auckland's Economic Governance Arrangements

The preceding research-purpose driven assemblage of complementary literatures allows the development of a framework for interrogating key aspects of Auckland's contemporary economic governance arrangements. The central concern of this dissertation is the interpretation of interventions into economic processes in the sub-national political-economic space of Auckland under historically and geographically specific conditions of neoliberalisation and globalisation. The insights from almost three decades of regulationist school with their particular interest in the institutional mediation and regulation of capitalist processes provide a useful starting point into this research agenda. In particular, theorisations on processes of neoliberalisation and a recently proposed 'after-neoliberal' political economic moment are important markers of wider trends in political, economic and social trajectories that shape territorial governance outcomes. This approach recognises the wider governance context actors find themselves in by highlighting their integration into wider capitalist processes of accumulation and regulation. This perspective is complemented by insights from analyses on urban and regional governance arrangements, and in particular the roles and articulations of key actors such as the central and local state as well as business interests. These latter views allow a critical engagement with actually existing 'governance arrangements' that are expressed in dynamic, time and place-specific institutional arrangements through which state and state-business processes are mediated.

These two perspectives, however, cannot answer the question ‘how governing is constituted in practice’, and crucially, what the actual mediating effects on economic processes are. To this end, contributions from governmental and network-focused literatures are needed. Their analytical tools help with the identification of the practical day-to-day governing practices. Moreover, they also shed light on the constitutive effects of governing networks and practices on governance objects, such as a particular industry, and wider governance domains such as the globalising economy. This approach helps to trace the lines of power through policy discourses which emanate from governing interests, their intersection, struggles and alignments. It highlights the ways the state acts ‘at a distance’ to produce or avert governmental effects. These literatures also emphasise performative aspects of governing, and thus enrich the understanding of how governing under neoliberalising and globalising conditions might actually be done.

Policy and academic discourses on economic and territorial processes represent the many objects and relationships that constitute the governance focus in sub-national economic interventions. Contributions from the new regionalist and institutionalist academic literatures have received much policy traction lately. These representations discursively constitute what is to be governed, and thus make up a field of governmental struggles and contestations. As such, policy discourses can be seen as analytical instruments to reveal deeper truths about governance arrangements as well as a map for tracking the often hidden paths of governing thought and governmental rationalities. They are both, tools for uncovering certain hegemonic ways of defining how things should be done, as well as having a role as markers of actor-arrangements such as ‘discourse coalitions’ in urban politics and policy. Finally, academic work reflecting the changing understandings on the phenomenon of globalisation and its effects adds value to questions relating to attempts to influence participation in the globalising economy. For a remote and small economy such as New Zealand these perspectives are of particular importance. In this context, recent work on imaginaries and benchmarking practices form interesting points of entry.

Out of the interplay of these diverse but complementary literature threads new key questions emerge that guide the empirical work on Auckland. They centrally concern the possibilities and limits of influencing Auckland’s and New Zealand’s participation in a globalising world, and the possibilities of achieving the successful reconciliation

between economic and non-economic processes, or sustainable development, through political and policy work. The combination of a governmentality perspective and an actor-network approach asks how - in a broader sense - economic governance is being accomplished by policy actors in Auckland, and what the practical techniques on which governmental ambitions depend in this regard are. The cross-fertilisation of work on capitalist regulation and governance of urban and regional economies results in questions about the identity of the key actors in such interventions, who is excluded, as well as where the terrains of struggle and contestation are? The blending of regulationist' work, literatures on governance in sub-national spaces and a governmentality and actor-network perspective allow critical questions to be answered on what policy discourses and emerging practices reveal about this particular economic governance moment in Auckland's history, what assumptions are made about the reconciliation between economic and social-environmental objectives in contemporary economic development policy discourses, and finally, what effects of territorial economic governance can be discerned on private sector investment processes and the stretching of capitalist social relations across space. In order to begin to answer these questions, a contextual overview of some of the key trajectories of changing politico-economic conditions, economic and geographic processes, and policy discourses and practices for Auckland and New Zealand's 'post-restructuring' period are outlined in the next chapter.

CHAPTER THREE

A ‘Neoliberalising’ and ‘Globalising’ Context - New Conditions and Emerging Trajectories for Governing Post-Restructuring Auckland

While the previous chapter informed this dissertation with insights from international literatures, this chapter provides local context. It turns to the New Zealand and Auckland specific conditions and trajectories that have emerged in the early post-restructuring period of the 1990’s from the country’s previous neoliberal restructuring. Section one outlines the central state-driven processes of neoliberalisation that markedly altered both the form and functions of the state as well as the context for economic processes in New Zealand. It will therefore allow a better grasp of the changed conditions for interventions in New Zealand’s sub-national spaces. Section two discusses the re-worked central state and its changed policy framework for intervening in economy and society, highlighting processes of centralisation of power, institutional fragmentation and the shift to output-based policies. In section three the key emerging trajectories for ‘governing’ actors and activities through Auckland’s local state are covered. Particular emphasis is given to the institutional relations of the transformed local state and the spatially uneven ways of regulating and mobilising private investment. A fourth section shows how, and in what form, discursive dimensions have become more important in the political management of Auckland’s economy. This review briefly outlines the genealogies of influential political projects in New Zealand’s political economy such as regional development, globalisation, the knowledge economy and sustainability. It also includes how thinking about Auckland with respect to national economic and wider processes has changed. The final section captures how economic restructuring impacted on economic actors such as firms and labour in Auckland and outlines new spatial and functional patterns of economic activity. It also highlights the implications of the transforming economy on social, environmental and cultural processes and points to new public policy challenges. A concluding summary poses a range of questions that guide the work of subsequent chapters.

New Zealand's Changing Political Economy: Neoliberalising Context for Sub-national Economic Governance and Investment Processes

New Zealand's Changing Political Economy and its Institutional Settings

Questions of economic governance in Auckland are inextricably connected to New Zealand's changing political economy and its institutional settings. For Easton (1997, 41), political economy issues concern "the way in which the means of production are organised". Such political management of economic processes in New Zealand cannot be understood without paying close attention to the changing state-economy and local-global relations in the country's history. This sub-section provides a brief overview of New Zealand's political economy until the onset of the neoliberal reforms in the 1980's.

New Zealand's geographic isolation meant natural protection from foreign competition until well into last century (Britton *et al.*, 1992). Based on comparative environmental advantages and close social and political ties, the country also developed into a 'colonial farm' for the UK (Le Heron, 1992) - an arrangement that offered for a long time a relatively stable export market for its primary goods. Thus, the economic landscape was marked by many not overly competitive large businesses. There was, however, an efficient rural export sector and an Auckland-centred import substitution economy. From the Second World War until the 1980's, the economy was a mixture of private and public enterprise, and a sizeable state sector involved in supporting and directing activity as well as providing welfare services (Le Heron, 1996a). The state managed the internal and export expansion of the economy (Le Heron and Pawson, 1996a). In line with understanding capitalist production as a unity between economy and state that "implies state mediation of the investment possibilities open to national and transnational business" (Le Heron, 1987, 263), during the 1960's and 1970's governments tried to stimulate the economy by subsidy and tariffs whilst encouraging selected foreign investment (Britton *et al.*, 1992). But they were forced to further respond to the "structural weaknesses of reliance on a narrow primary commodity economic base, small internal market, constant balance of payments and terms of trade problems, and a high degree of protection in overseas markets working against the country's exports" (Britton *et al.*, 1992, 18). But even the increasingly difficult conditions of the 1970's - oil crises, unpegging of exchange rates and Britain's entry

into the European Economic Community that negatively affected the market conditions for New Zealand's primary exports - did not change the government's stance on its protectionist economic policy agenda (Deeks and Enderwick, 1994).

The management of the economy at this time was largely in the hands of the central state, rather than the local state. As Le Heron (1987, 265) pointed out; "New Zealand has a highly centralised economy...since [long] the balance of power has in most matters remained firmly within central government...for only central government has mediated the performance of and opportunities for investors, local and from abroad, involved in local production". In the context of a unitary and unicameral country, it was only the central state which was removed enough from vested interests - with the exception of the Business Roundtable in the early years of the neoliberal reforms - to effectively reset the conditions for accumulation processes. Moreover, the local state in New Zealand has been resourced on the basis of property tax, which has constrained local state actors as they have been dependent on local property development and gains of property values.

In regards to the key institutional settings of the political economy, state and business, New Zealand's history of state-business relations has emphasised the government side rather than business self-management as in the European corporatist model. In particular the central state had been the key actor for policy settings around development and economic growth (Le Heron, 1987). It is argued that New Zealand's business sector is marked by individualism and low trust (Perry, 2001), which shows in both intra-business and business-government interactions. However, traditional lobby groups such as the farming lobby representing agricultural and horticultural interests, export-focused groups such as the Merchant's Association and the often small business representing institutions like the regional Chambers of Commerce exerted considerable influence in policy advocacy arenas up until the mid-1980's.

The exploration of state-business relationships in New Zealand can be viewed from a perspective that takes into account the smallness of the local population. In this regard, Franklin (1978, 234) answers his own question whether there is "a group of men whose influence perhaps controls the country's destiny" in an affirmative way by highlighting many interlocking directorships and investments in a small national elite. Selinkoff (1994) suggests that New Zealand's smallness and remoteness have facilitated the

development of a close business-state relationship cemented by personal, social and family ties. However, no claim can be made that this social proximity among the elite has created closer institutional relations between business and state, and within business sectors. While the preponderance of interlocking directorships as a possible indicator of business cooperation has attracted comment (Fogelberg and Laurent, 1973; Firth, 1987), the use, if any, of the overlapping directorships has never been firmly established. Indeed, it is likely that their significance was as a social network only and as a system for patronage, more than to promote business or business - state cooperation (see Jesson, 1979; 1999).

Economic and Social Restructuring under a Market-liberalist Philosophy: Creating New Conditions for Investment Processes and Social Relations

High levels of intervention characterised the New Zealand economy until the mid-1980's. The key objective of economic management had been ongoing economic diversification to secure new external sources of profits. As Easton (1997, 49) contends, "the economic reforms of the eighties are to be seen as a response to the new diversified political economy overriding the declining pastoral one". New Zealand has become (in)famous for its fast and extensive neoliberal political reforms of the 1980's and 1990's, which resulted in a wholesale restructuring of the national economy as the state moved from directive and supportive forms of intervention to facilitative forms (Le Heron and Pawson, 1996a). These changes were largely driven by central government and implemented by the central state apparatus.

In 1984, the newly elected Labour government embraced a new libertarian economic philosophy characterised by a minimalist view of the role of government. Micro-economic reform that focused on improving allocative and operational efficiency and macro-economic reform that sought to provide a stable environment for business decision-making were the two key strands of this reformist project. Both sets of policies markedly reduced government's intervention in the New Zealand economy (Deeks and Enderwick, 1994). Restructuring also redefined the nature and role of the state, and reformed state institutions (Le Heron and Pawson, 1996a). The role of government was altered radically through corporatisation - the remodelling of government agencies along business lines - and subsequent privatisation (Murphy, 2003).

Kelsey's (1997) political critique of the reform processes focuses on the almost total lack of democratic processes during the reforms and the heavy impact of adjustments on people and households. She argues that "in the space of a decade a strong central state authority, abetted by a private sector elite, revolutionised New Zealand's economy and it's peoples lives" (Kelsey, 1997, 348). She provides an overview about the extent of the reforms:

[When] the fourth Labour government took office in 1984... the financial markets were deregulated, exchange controls removed and the New Zealand dollar put on a free float. Controls on prices, wages, interest rates, rents and credit were replaced by a monetarist anti-inflationary regime. Export and domestic subsidies were eliminated. Import licenses were abolished and dramatic tariff reductions imposed. The emphasis moved from direct to indirect taxation. Labour markets were progressively opened up. From 1986, state activity with a potentially commercial function such as the national airline and telecommunications was corporatised. Government scientific research was semi-commercialised by splitting it up into Crown Research Institutes. State expenditure was cut back and the bureaucracy reorganised to increase efficiency and introduce entrepreneurial discipline.

In response to these profound political and policy changes, she calls for alternative futures where a more socially just society and new forms of decolonised politics can be achieved. One of the research goals of this dissertation - the interrogation of how well economic and non-economic objectives are aligned in current sub-national interventions - can be seen as a contribution to informing policies that could be linked to alternative socio-economic futures similar to Kelsey's envisioning.

An important aspect of New Zealand's economic liberalisation has been the radical reduction in regulation in the industrial sector (Bollard and Buckle, 1987). This deregulation focused on areas such as "controls over industry entry, pricing, trading operations, right to import and ownership" (25), which had all been transformed in line with neoliberal principles. At the same time, new competition policy and laws were created to promote a high degree of competition in deregulated domestic industries and markets. The effects on industry have been in two broad categories: the internal operation of firms, and their nature. According to Bollard, the former saw multiple responses by firm owners and management, including reduced profitability, more

product differentiation and an increase in managerial efficiency. The latter has seen a widespread corporate reorganisation and outsourcing.

Under the national government that came into power in 1990's, neoliberal reforms became broadened to include new regulation on social welfare and changed labour laws. Social reforms in particular became a key focus of New Zealand's neoliberal state project in the early 1990's. Central mechanisms were comprehensive welfare benefit cuts, narrowing of welfare eligibility and sharpening abatements. For Kelsey (1997), ethical values, social responsibility and moral leadership were subordinated to structural economic adjustment. In the process, a 'modest safety net' based on principles of fairness, self-reliance and efficiency began to replace the long-standing New Zealand social welfare system. Given the interdependency between economic and social policies, the governments of the 1980's and early 1990's are said to have "altered the nature of many policies from having a high social policy content to being purely economic, without always implementing a full array of offsetting social policies" (Stephens, 1987).

New Zealand's restructuring crisis and the profound political responses are intrinsically bound up with the internationalisation of the economy (Le Heron *et al.*, 1992). An important objective and outcome of the reforms had been the removal of barriers to accumulation which separated local from global economic processes. This new "global interdependence means, [that] more decisions of consequence to people in a nation are being made by consumers, businesses and governments in other countries" (289). Nevertheless, state policy is seen as crucial to the patterning to global capital circulation through its rule-setting role for investment and production in its territory.

An appraisal of the effects of the neoliberal reforms on business and economic competitiveness incorporating international renowned expert on micro-economic policies Michael Porter took place in the early 1990's. The resulting policy report (Crocombe *et al.*, 1991) considered the structural adjustments alone as not sufficient to create the necessary economic transformation for New Zealand. They argued that, simultaneously, reforms should focus on institutional areas and factors such as low levels of private sector Research and Development (R&D) spending, low education participation rates, a relatively poorly qualified workforce and low levels of new business formation. But Enderwick (1994) comments that this report - while arguing for

a future economy based on adding value, or further elaborate processing - was remarkably silent on how to achieve this. He contends that “[i]f there are institutional and attitudinal obstacles to adjustment then presumably these require specific policies to overcome these. These issues are not adequately addressed in current policies” (99).

Throughout the anti-protectionist phase of the neoliberal reforms, business lobby groups had almost all lost influence with the possible exception of the Business Roundtable (Perry, 2001). This particular business grouping had a powerful influence on the state political management of the economy at the time and provided key input into the development of new sets of policies. The Business Roundtable, a business group that had been growing from an informal group of Auckland industrialists in the mid -1970's, got its inspiration and name from a US business grouping (Le Heron and Perry, 1992). It represented corporate business - in particular industrial, financial and investment institutions - and included both, private companies and state-owned enterprises. “By no means a homogenous group with a unified view”, the Roundtable took public stands over particular government policy issues, ranging from electricity pricing over fiscal strategies to tertiary education and labour market reforms (Jesson, 1987, 52). There were close links with the treasury department, and the persuasive submissions of the Business Roundtable meant that New Zealand business has had a strong influence on the course of the economic reforms (Deeks and Enderwick, 1994).

While this institution still exists today, it has largely lost its policy influence among central government actors. This is mainly due to the fact that neoliberal reforms which had been advocated for have in large been implemented, and New Zealand's corporate sector has become smaller and more global in composition. Or as Perry (2001) puts it, with the increasing restructuring of corporate businesses, the latter has since lost power at central government level. Viewing the state-business-labour relationship from a broader perspective, he sees the current lack of authority held by interest groups such as labour and employer organisations as the ‘flip side’ of the long-standing dominance of the state [in New Zealand], making the “weakness and fragmentation of interest groups an enduring feature of the ‘New Zealand business system’” (Perry, 2001, 1).

This section has provided key insights into New Zealand's changing political economy from the end of World War II until the beginning of the post-restructuring period of the mid-1990's, and thus sets the context for understanding contemporary state-economy

processes in sub-national spaces of governance. Key threads have been the critical role of the central state as the key manager of New Zealand's economy using a mix of supportive and directive interventionist means until 1984, and the neoliberal political reforms of deregulation as a political strategy to open up new ways of accumulation that led to profound economic restructuring and social change in the 1980's and early 1990's. Under neoliberalisation, a smaller and corporatised central state apparatus emerged in new institutional guises, with new responsibilities and new internal processes and practices. The next section will discuss these key features of a neoliberalised state in more detail.

Reworked Central State and its Policy Framework: Centralisation, Fragmentation and Output-based Polices

Neoliberalised Public Sector Management and Central State's Disappearance from the Periphery

The neoliberal reforms not only transformed state - economy relations, they also changed the state itself. After privatisation, a residual core public sector became reworked along business and corporate governance lines (Murphy, 2003). Under the new philosophical framework, the state transformed itself in a few years from a large and bureaucratic sector to a streamlined and efficient service deliverer. The 'new' state featured a clearly articulated split between policy providers and delivery institutions governed by contracts, an operational logic premised on efficiency, accountability and transparency, as well as a focus on narrowly defined outputs as policy objectives. The new framework for organising state work was legislatively enshrined by the Public Finance Act 1989, which provided a wider framework for governing the use of public financial resources, and the Fiscal Responsibility Act 1994. The latter aimed to improve fiscal policy by establishing key principles of fiscal management guided by considerations of transparency, independent assessment and parliamentary and public scrutiny of economic and fiscal information and plans (New Zealand Treasury, 2006).

The reorganisation of the public sector bureaucracy was comprehensive. As a cabinet paper outlines:

...departments have clear and consistent objectives, there is a high standard of accountability, trade-off's between objectives are explicit

and transparent, the provision of advice and the delivery of services are contestable, functions which complement each other are placed together in one agency whereas functions with conflicting and potentially conflicting objectives are separated, the duplication of functions is minimised, and resources are used economically and efficiently. (State Services Commission, 1988)

However, objectives of public sector redesign and their implementation may be contradictory, requiring adjustments, compromises and trade-offs (Boston *et al.*, 1991). For example, the need for policy coordination across fragmented intervention 'silos' led to the establishment of the department of Prime Minister and Cabinet (DPMC) in late 1989. And the traditionally flexible relationship between the number of ministers, the number of portfolios and the number of departments in New Zealand can be seen as sitting somewhat uneasy with the requirements of clear accountability.

A central aspect of state reform had been the remaking of policy development and implementation processes. As Enderwick (1994) points out, "...in many areas of reform, including science and technology, health, housing and law and order, service delivery has also been reformed. A common theme has been the separation of policy advice, service funding and service provision" (103). New output-based policy frameworks were based on a clear division between development and implementation. In this model, local managers were given greater flexibility to choose among inputs to deliver outputs specified from above (Martin, 1991). Institutionally, this model resulted in increasing fragmentation of the state that manifested itself in the existence of many parallel working, but unconnected policy 'silos'. At the time, Boston (1991, 263) predicted that "given the current tide of opinion within the relevant policy community, the most likely outcome [of that fragmentation] is a gradual process of reintegration".

Importantly, in this period the central state moved away from representation in New Zealand's regions (Le Heron *et al.*, 1992). Moran (1996) argues that even for most remaining central government departments their representation and information gathering in the region was greatly reduced. Indeed, "for the whole nation the administrative map has changed, giving way to centralisation" (392). In this context, Perry (1992, 240) commented that "...just as regional inequalities have grown, the Fourth Labour Government dismantled much of the policy apparatus that had been set up to tackle problems that have since intensified". Central state institutions that had previously been strongly present in the regions such as the Ministry of Works and

Development, the Trade and Industry Department, the Department of Scientific and Industrial Research or the Tourist and Publicity Department, all pulled away their policy-making resources; from Auckland, and from the other places and regions of the country (see Boston *et al.*, 1996). This institutional and policy abandonment of the central state concerned all policy areas. In economic development for example, an observer claimed that “between 1984 and 1999 there was nothing in regional economic development in New Zealand. A huge vacuum” (Academic, Informant 33a, 2004).

While there is strong consensus among observers that the reformed central state became more centralised, considerable debate has been created around the issue as to whether this shift was accompanied by patterns of devolution. Martin (1991) defines devolution as the transfer of power, authority and responsibility from a national to a sub-national level, while decentralisation to him refers to the delegation of power and authority to lower levels, with ultimate decision-making remaining at the national level. Devolution and decentralisation have often been promoted on the basis of efficiency, suggesting that local decision-makers have access to more accurate and current information and can respond to citizen’s preferences more effectively than centrally based authorities (McKinlay, 1990a). A second argument for the down-ward shift of power has been an emphasis on public participation, a political trend that can be associated with the force of the 1980’s Maori and Woman movements (see Levett, 1988). McKinlay (1990b) argues that both, devolution and centralisation haven taken place simultaneously depending on ministerial portfolio and policy area. He suggests that devolution has taken place in education, while “in areas such as health, with the major powers the Minister has over the composition of area health boards, evidence points towards centralisation” (218). In contrast, Boston *et al.* (1996) claim that despite the magnitude of the public management reforms, New Zealand remains a highly centralised state as “there has been relatively little genuine devolution of functions from central government to the sub-national level” (356).

The relationship between centre and periphery had been affected by latent mistrust for a long time in New Zealand’s history. As a unitary state - like the UK - and without a written constitution, local government is the only legitimate check on the power of central government (Jones, 1988). In New Zealand, strong central government and a multiplicity of local institutions, often of an ad-hoc nature, exist side-by-side, but with

no strong connections (Martin, 1991). Overall, local government played a rather small role in New Zealand state affairs. During the neoliberal reforms, relationships didn't seem to improve as the state's fragmentation was visible in the "almost non-existence of central and local government relationships" (Local government manager, Informant 36, 2004).

New Conditions for Sub-national Economic Management: Enabling Local State Decision-Making, Resource-Management and Increasing Local Political Representation

The neoliberal reforms created new conditions for governing the economy in New Zealand's sub-national spaces, its regions, or in other words, its periphery. One key trend that has emerged is a shift towards more participatory and enabling local state decision-making. This new approach to policy development on regional and local levels had become possible because of a series of legislation which created an increasingly enabling framework for local government decision-making, culminating in the Local Government Act (LGA) in 1989. In this particular state reform, the number of local and regional authorities was reduced, their size increased and their commercial trading operations separated (Moran, 1996). With the new legislation, for the first time a nationwide tier of elected regional councils was created. With the introduction of the Resource Management Act (RMA) in 1991 (Ministry for the Environment, 2006), these regional state entities absorbed the functions of many environmental ad hoc bodies and took on the responsibility for implanting this new local planning framework. Moran (1992) sees positive effects of the new structures. He argues that in a property tax-based local state environment, closer alignment of activity space and local authority boundaries help to reduce economic and social differences, as the larger local authorities are more likely to even out poorer and richer parts of their jurisdiction (219).

As a result of the legislative changes, those at local government level had to align the new legislative requirements regarding planning, management and decision-making laid down in the LGA (1989) which includes "preparing annual plans and budgets in consultation with their communities, reporting annually on performance in relation to plans, and preparing long-term financial strategies including funding, borrowing management and investment policies" (LGNZ, 2005). While some local state empowerment had been achieved under the new legal framework in the eyes of most

commentators, local governments in New Zealand had not yet received a power of general competence. In the past however, the lack of such powers has not had much influence on the work of local government. Rather, it has been “the reluctance of either rate payers or central government to provide finance that has been the limiting factor” (Boston *et al.*, 1996, 167).

Another change in the ways the local state operates concerns its planning regulation (see Appendix Two). The RMA became the key planning framework in 1991, aimed at creating markets for local development, while at the same time saving harmful externalities on the environment (see Gleeson, 1995; 1996). Planning in New Zealand had been governed by a prescriptive town-planning legislative framework which was introduced in 1926. The introduction of the RMA brought a significant change in planning practice. In the 1980's, the government's Treasury department and sympathising business interests as well as environmental pressure groups took on the same policy stance to planning, which was basically the separation of development and conservation purposes. While the environmentalist influence was based on the concerns of a growing number of people over the “ecological and aesthetic price of nationally significant development projects” (Pawson, 1992, 188), the government aimed for more accountability in the allocation of resources.

The RMA was built on the objective of achieving ‘sustainable management’, a goal that was broadly defined as “managing the use, development and protection of natural and physical resources in a way which enables people and communities to provide for their social, economic and cultural well-being by taken into account the needs of future generations” (Gleeson, 1996, 252). The concept of ‘sustainable management’ however is considered ambiguous and of broad scope (Le Heron and Pawson, 1996a). The RMA-legislation is about regulating the impacts of human activities on the environment, rather than on regulating human activities per se. As such, it is primarily a law to deal with externalities, a concept taken from Economics. It is designed to be ‘enabling’ rather than prescriptive as it allows actors to undertake any activity within broadly defined environmental standards as long as the negative externalities are priced and these costs are met. Dixon (2005) comments that the RMA (1991) is

...highly significant in influencing local economic development. ...[It] can be described as enabling legislation, that is, setting out

frameworks within which councils prepare a myriad of plans and policies in consultation with their communities. The plans in turn provide the policy, regulatory and operational context for decision-making by councils in respect of development proposals. (Dixon, 2005, 69)

Today's planning in New Zealand is a complex set of processes, comprising zoning instruments at local levels and legislatively enforced environmental protection tools at regional levels, which in combination, contribute to shaping the conditions for localised development projects.

A final trend that influences processes of sub-national political management of economic processes is the increasing local political representation in New Zealand's Parliament. Under central government's neoliberal reforms, the geography of democratic participation and access to government has also changed. Moran (1996, 391) contends in this context that "[i]n a unitary system of government - where regions and localities have no constitutional rights - their formal political structures and responsibilities are devolved by government and changed by government". In 1996, a new electoral practice was introduced in the form of MMP, which stands for 'Mixed Member Proportional' form of parliamentary representation. For many this was a strategy to overcome past 'first past the post' election outcomes which resulted in strong concentration of power in the hand of one party. Moran (1996) states that this reform can be linked to a growing distrust of politicians who have failed to disclose their plans until in power. In a rather pessimistic interpretation, he argues that - paradoxically - "by reducing the number of territorially based seats, the people living in places will have less direct access to their member of parliament and it may be more difficult to have the divergent and views of regions and localities adequately represented" (392). Easton (1997, 49), in contrast, argues that strengthened local representation in Parliament under MMP was "fundamentally a response to a new situation in which no two parties can fully encompass the politics of a much more diverse society and economy".

The previous discussion analysed the evolving forms and functions of a transformed state under a neoliberal trend towards a 'government by the market' in New Zealand (Boston *et al.*, 1996). Key elements are a centralised central state and a revamped public sector designed according to neoliberal and commercial design principles and geared towards the efficient delivery of output-based policies. At the same time, central

government altered the rules for state regulation and intervention on sub-national scales by ways of legislating increasingly enabling local state decision-making, a new planning framework based on managing resources, and increasing local political representation in Parliament under a new election system. These trends and transformations in and in relation to New Zealand's re-worked state-regulatory apparatus form the context for particular trajectories, processes and interactions that emerged and took place in Auckland's local state in the early post-restructuring period, which the next section will turn to now.

Auckland's Transformed Local State: Competition for Investment, Business and Community Facilitation and Emerging Regional Collaboration

Local State Intervention History in Auckland

Before recent changes in the structures and processes of the local state are reviewed, a brief outline of Auckland's local intervention history provides useful context for a richer understanding of contemporary developments. Since Governor Hobson founded Auckland in 1840, it has been a city driven by commerce, trading and often speculative land development (Whitelaw, 1967). Thus, the historically changing planning of development processes and the relationships between state and business are of particular contextual interest, as are the different ways of negotiating and distributing the costs and benefits of development and business activity under the prevailing capitalist conditions. The Regional Growth Forum (RGF, 1997, 3) remarks on the city's early history:

As attractive to Pakeha⁶ colonists as it had been to Maori, Auckland in the 19th century lacked the wealth that was being generated by gold, gum, timber and wool in other parts of the country, though it was still the domain's largest city for most of this period. Elementary structures for local government began to establish. As regional transport and communications improved, refrigerated transport saw Auckland develop export markets in Victorian England.

The resulting economic up-swing saw a rapid population rise in the first decades of the twentieth century. The 1926 Town and Country Planning Act required territorial

⁶ Pakeha is a term for European New Zealanders, that is, New Zealanders of predominantly European descent.

councils to prepare a town planning scheme for their areas. No regional planning function would be exercised in a region which resembled more of a “collection of market towns than a homogenous city” (Central government manager, Informant 29, 2004).

The need for integrated regional planning became clearer before and in particular after the Second World War as Auckland’s population rapidly increased and its infrastructure further developed (see Appendix Two for an overview of Auckland’s evolving regional planning and development policy frameworks). The 1950’s saw the publication of Auckland’s first regional planning documents. The region’s first Master Plan in 1951 was seen as to “help industry, commerce and business, protect investments and make the metropolitan area as a whole a better place to live” (RGF, 1997, 5). This was a period of major infrastructure decision-making when Auckland committed itself to being a large city. The 1960’s, consequently, was the ‘development decade’; decisions made in the 1950’s were now being implemented. The need for integrated management saw the formation of the Auckland Regional Authority in 1967. Its Regional Master Plan emphasised employment, zoning of land uses, growth nodes and staging of development.

During the 1970’s and the oil shocks, environmental issues gained momentum in regional planning. This was also the decade when intervention and development by central government peaked in the form of ‘Think Big’ and regional development initiatives. The 1980’s however, was seen as a difficult decade for regional planning, as the major central government reforms resulted in the loss of a national strategic planning overview and resources with the disestablishment of the Ministry of Works and Development (MOWD). Under the 1989 Local Government Reform, the Auckland Regional Authority became the Auckland Regional Council (ARC) with only its core functions of planning, regional parks and environmental management remaining while its many service provision functions such as water, electricity delivery and regional transport were separated off.

Public investment processes in the Auckland region have not been consistent. Largely subject to central governments decisions, state spending on local infrastructure and services has been going through severe cycles as “everything is more extreme in New Zealand because it is so young and small” (Local government manager, Informant 16,

2004). Rapid population growth after the Second World War triggered a momentum in planning and implementing major infrastructure projects in the Auckland region. The biggest projects were the motorway system, the Harbour Bridge, the Mangere International Airport (today's Auckland International Airport) and the Manukau Sewage Purification Works. The intersection of population stagnation and tight fiscal policies under a conservative approach to spending of the early 1980's resulted in severe underinvestment in regional infrastructure just before neoliberal policy changes triggered a new wave of immigrants and cheap second hand car imports. Consequently, traffic and congestion rose sharply and impacted heavily on the ailing transport and infrastructure systems. Public development pressure worsened as "under the RMA-processes it is more and more difficult to get major [infrastructure] processes off the ground" (Informant 16, 2004). The outcome of these processes mean, that over the last couple of decades the central state had severely underinvested in Auckland's physical infrastructure.

Consolidation of Decision-Making and the Rise of the Quango-State

Recent changes in the composition and functions of Auckland's local state have been significant. The 1990's were marked by the consolidation of local government after amalgamation and the assignment of new functions under the new legislation of the 1989 Local Government Act (LGA). Auckland's Territorial Local Authorities (TLA's), or simply local councils, were reduced from twenty nine to seven; while the ARC would constitute a second institutional layer on top of them. While the new TLA's inherited many traditional functions of local government such as local services, business regulation and land-use planning, the newly formed ARC - emerging out of the old Auckland Regional Authority but stripped of many assets - was mainly in charge of environment protection through its role of enforcing the new RMA-planning regulation.

The delivery of many regional services was transferred to new purpose-built institutions. Within a competitive structural environment, an increasing complexity of institutional orders emerged in Auckland's local state. As a response to increasing institutional diversity, new functional layers emerged in Auckland's local councils. The more uncertain environment fostered the development of closer relationships among local state actors in some areas, while in others conflict and institutional struggles emerged. As a previous local council manager explained:

In 1989 local government in Auckland was preoccupied with amalgamation, they focused on internal organisation, administration. Since the mid-nineties they looked outwardly and identified issues for the city. There was a realisation that they couldn't do things on their own, that the councils couldn't control their environment directly and that resource streams were more diverse. They themselves faced fiscal constraints. They had to engage with other councils and central government as well as utility providers. [Thus] the nineties saw the rise of advocacy in local government...Throughout the nineties there were talks to clarify roles of local councils and the Auckland Regional Council. The conflict over roles and responsibilities reflected the relatively new institutions and the new legislation. Layers of new responsibilities - processes, accountabilities and functions - were stapled on top of each other. The new legislative framework became increasingly enabling, but countered by tighter rules on transparency and accountability. (Informant 44, 2004)

Under new conditions, the complexity of the local state expressed itself in the emergence of a multitude of organisations with very specific functions. Increasingly, those organisations not only included the entities of the local state, but also those of the central state operating within the region, as well as a growing number of quasi-state actors, which broadly resemble what elsewhere has been called quangos. This term has been used, notably in the UK, to describe a range of organisations to which governments have devolved power. In the Auckland context, this actor group can be framed as encompassing many national, local and regional service providers and funding agencies that are removed from direct public accountability. The following quote illustrates this diversity of governing actors in Auckland.

Local government in the Auckland region currently consists predominantly of seven local authorities, their community boards and the regional council. In addition, there are also a significant number of other institutions and bodies...These include for example Infrastructure Auckland, Watercare Services Limited, the Auckland Regional Growth Forum, the Auckland Regional Land Transport Committee as well as a number of trusts, joint ventures, Local Authority Trading Enterprises and formal working parties, including the Mayoral forum. There are also a number of central government policy, service delivery and funding agencies that have local responsibilities in the region, including, for example the Ministry for the Environment, Housing New Zealand and Transfund. Wider still are the interests of the regions iwi⁷, the private development and business sector, environment and social non-governmental

⁷ Iwi is a term that stands for the local tribes of Maori, the indigenous people of New Zealand.

organizations and the general public. (Auckland Region Mayoral Forum, 2000, 3)

The institutional arrangements of state and quasi-state governing bodies in Auckland which constitute a central part of the new local governance landscape are subject to ongoing periodic debate in political and policy circles, as well as in the media. Auckland's particular growth problems are increasingly discussed in terms of further structural consolidation in the architecture of the local state, which even includes proposals for a unified single city. However, it is recognised that the administrative unification of Auckland's local state would be a politically risky move by central government. As a central state manager stated: "[i]f you amalgamated all TLA's in Auckland, it could be more powerful than the government" (Informant 23, 2004). In a small country such as New Zealand, a unified local government entity in Auckland governing approximately one third of the country's population and business would surely pose a serious political threat to central government.

Competition for Investment and Facilitating Economic Processes

Under neoliberalising influences, Auckland's local state increasingly competed for private sector and central state investments. To this end, and as one of the most important urban and regional development trajectories out of restructuring, local state actors progressively facilitated private sector development within their territory (Pawson, 1996a). Murphy (2003, 187) states that "within the context of profound economic restructuring the local state has increasingly adopted entrepreneurial forms of governance, centred on place promotion and in Auckland's case, property development". In fact, land and property development have been the key engine for Auckland's development since British settlement in the mid-nineteen century (see Bloomfield, 1967). However, in the 1990's both urban growth processes and local policy approaches underwent some significant changes. The growth of the major urban centres within Auckland no longer took on the form of the predictable suburban extension that so marked the previous fifty years. The inner city population started to grow again, reflecting in the property and development markets, the emergence of new tastes in consumption and changing residential preferences (McDermott, 1996b).

At the same time, within the competitive neoliberal governance context, local councils resorted to promotional local strategies that often constructed them as being in

competition for scarce investments. However, the form of engagement with local capital interests and the outcomes for development trajectories differed widely for different parts of the city-region. Table 3-1 shows the distribution of population, economic activity and development philosophies among the sub-regional centres in Auckland. It demonstrates the high share of economic activity in Auckland City and highlights the socio-economic differences between the local areas, for example between Manukau and North Shore. It also provides an overview of key marketing and urban development philosophies which had been adopted in each of the larger local councils in Auckland's region. The variety of local responses to new governance conditions illustrates that

Table 3-1: Auckland's Sub-regional Characteristics of Economic Activity and Development Philosophies

<i>Local Council/ Policy Characteristics</i>	<i>Auckland City (ACC)</i>	<i>Manukau City (MCC)</i>	<i>Waitakere City (WCC)</i>	<i>North Shore City (NSCC)</i>
Population	380,157	284,001	168,465	185,262
European Ethnic Group (%)	65.7	51.6	71.9	81.8
Median Income	22,300	19,000	20,800	23,300
Unemployment	7.9	10.1	8.3	5.7
Distribution of Economic Activity (%)	50	20	8	14
Firm size	10.14	9.55	8.11	11.92
Full-time Employment/People	0.89	0.88	0.85	0.85
Key Political Topics in 1990's	Transport	Employment	Sustainability	Autonomy
Expression in Urban Development	Urban intensification	Greenfield developments	Urban intensification	Greenfield developments
Example in Urban Development	Britomart transport centre	Howick development	Henderson City Centre	North Shore Stadium
Key Societal Concern besides Economic Objectives	Cultural	Social, Economic	Environmental	Environmental
Example	Viaduct, Sky-City	Employment schemes	Organic food/ beverage producers	Protection of Beaches
City Images	Global city	Brown, young, 'Melting Pot'	Green city	Clean/ Edge city
Marketing Slogan	'First city of the Pacific'	'Face of tomorrow'	'Eco-City'	'Lifestyle City'

Sources: Statistics New Zealand, 2001/ AREDS (Crothers, 2002)/ Informant 52/ Author

different restructuring outcomes and specific historical and geographical contexts profoundly influence how each part of the region repositions itself towards investment processes and their mediation.

A quick overview of development and marketing trajectories for the local councils of the Auckland region provides useful details to understanding local governance trajectories. Auckland City remains the major business centre in Auckland as its sub-

regional distribution of economic activity accounts for half of the region's total (see Table 3-1). Murphy (2003) argues that "[s]ince the late 1980's, Auckland City Council has sought to strengthen the central city area's role as a key locus of business activity and as a centre of tourism and entertainment...The council has shown a distinct willingness to engage in property-led urban regeneration processes" (187). The latter has comprised of speculative property development, which incorporates public sector initiatives from which the private sector is subsequently benefiting. These include waterfront and mainstreet developments that are said to enhance the image of places.

Three key property development projects stood out in Auckland City in the 1990's: the Sky City casino development, the Britomart transport centre and the Viaduct Harbour. The first project has been a commercial success, but as a strategy to promote localised places it "may have very limited growth effects for the city as a whole" (Murphy, 2003, 188). The second development, an NZ \$ 1.5 billion integrated transport centre was characterised by a complex set of financial relationships between the council and a developer who had no experience in large-scale property development, as well as by wider public concern over the magnitude of this project. It thus illustrates the extent ACC was prepared to engage in speculative development processes. The last example shows the role of substantial public investment in waterfront redevelopment schemes which enhances returns to private investors. To Murphy the latest investments into the city's built environment need to be seen in the context of successive rounds of speculative property development. What is different now is that in the context of increasing entrepreneurial governance, "Auckland City has promoted or assisted developments designed to place Auckland on the global map of tourism, culture and consumption" (Murphy, 2003,192).

In terms of the actors involved, coalitions of public and private interests, the latter comprising of, for example, local developers, the port company and transnational investment firms, have been key agents to rebuild Auckland's urban landscape. They create a 'city of spectacle' (Murphy, 2003). Within the new governance framework, local councils engage or assist in speculative property development, while at the same time constitute the regulatory agency for land-use planning (Gunder, 2000 in Murphy, 2003). This combination of "a planning context that is effects-based and permissive towards development and a local government actively engaged in property development

offers the potential for significant rounds of new investment” (Murphy, 2003, 193). In this context, Murphy further suggests that Auckland has assumed an important new role as a conduit of globalisation processes as a result of new conditions created by restructuring (Murphy *et al.*, 1999). In sum, the nature of local governance in Auckland City has been changing into an entrepreneurial mode during the post-restructuring period.

Manukau is the region’s youngest and ethnically most-diverse locality. Its high proportion of Maori and Pacific Islanders gives it a distinct socio-economic flavour. Many of Auckland’s recent greenfield developments have occurred in this part of the region as many of the newly arriving immigrants from Asia and other parts of the world settled here. Manukau had experienced particular outcomes from the restructuring process as many of the import substitution jobs of the previous era were lost in the 1980’s and 1990’s. Thus, policy thinking has focused on mitigating social and economic hardships which were more severe here than anywhere in the country. For example, local initiatives with an emphasis on employment schemes and social entrepreneurship proliferated during this time. It is no surprise then that it was this Council who first started to develop and pursue innovative strategic and economic development strategies in the mid-1990’s (see ‘Tomorrow’s Manukau’ (MCC, 2006) as an example of an award-winning strategy).

Waitakere City has successfully taken on an image of a green space within Auckland’s urban fabric. As a “microcosm of the larger landscape of New Zealand with coastlines, regenerating indigenous forests, vineyards and urban lifestyle blocks” (Magee, 1996, 316), policy emphasis has focused on processes and practices of sustainability. For example, its council’s decision-making processes are redesigned to pursue the principles of sustainability. WCC developed a specific program for addressing global threats to social, economic and environmental sustainability in an integrated way at the local level (*ibid*). The city’s planning symbols have changed in the 1990’s from a neoliberal imaginary of the ‘Edge-City’ to a new ‘Eco-city’ image that symbolises a shift in values to an ecology-based development model.

Policy thinking in the city of North Shore has been marked by self-sufficiency considerations. With a relatively affluent population and its distinct location within the Auckland region on the other side of the Harbour Bridge, images of a ‘stand-on its own

feet' place, 'clean city' and 'pristine environment' have been used to attract people and business. However, for McDermott (1996a) the North Shore as a whole remains overwhelmingly a dormitory region, attractive mainly to businesses geared towards the construction sector - particularly residential - and to local and regional consumption. He also argues that this part of Auckland through the Albany greenfield development gives evidence to some of the planning and governance failures of the past. More recently, Le Heron and McDermott (2001) claim that the near-by located North Harbour Stadium - built to claim a place on international sporting circuits - has also failed to live up to its expectations as it "attracts little more than a sparse mix of largely local sporting and entertainment events" (16).

The smaller councils of Rodney in the north of the region as well as Papakura and Franklin in the south represent mostly rural and semi-rural areas. Increasingly, these areas are redeveloped as locations offering 'lifestyle' amenities. This has in part triggered strong population growth which makes for example Rodney one of the fastest growing sub-regions in the Auckland region. This district also shows an economic structure which is atypical when compared to the rest of the region. In fact, it exhibits more similarities with the structure of the New Zealand economy excluding the Auckland region, for example a high primary sector share of activities (RDC, 2003). This fact points to the marked urban-rural divide between Auckland's four core local territorial authorities which are strongly urbanised, and the peripheral three district councils that stand for a more rural lifestyle.

Policies promoted and enforced by the ARC were largely prescribed by the new RMA-legislation. This organisation became primarily understood as an environmental protection agency. A key policy move had been the setting of metropolitan urban limits for the Auckland region. From the mid-1990's onwards, the ARC became the key site of inserting discourses on growth containment, better managing urban growth and on urban intensification into local and national policy text circulation. It was instrumental in the emergence of more collaborative decision-making practices in planning which led to the establishment of the RGF and the creation of the RGS.

Another key trajectory that emerged out of the neoliberal reworking of the local state concerns all of Auckland's local state entities. This is a new involvement in local economic development activity after the central state ceased to intervene directly. These

activities have consisted of facilitating work in localised business and community support areas. In practice, this meant that “on the local level, from state disengagement resulting service gaps have been filled, often by default, by a mix of private enterprise, non-profit organisations and territorial authorities” (McKinlay, 1990, in Killerby *et al.*, 2004, 10). Hence until very recently, public-sector local economic intervention in New Zealand remained a local-led rather than regional authority-led function (Mansvelt, 2002).

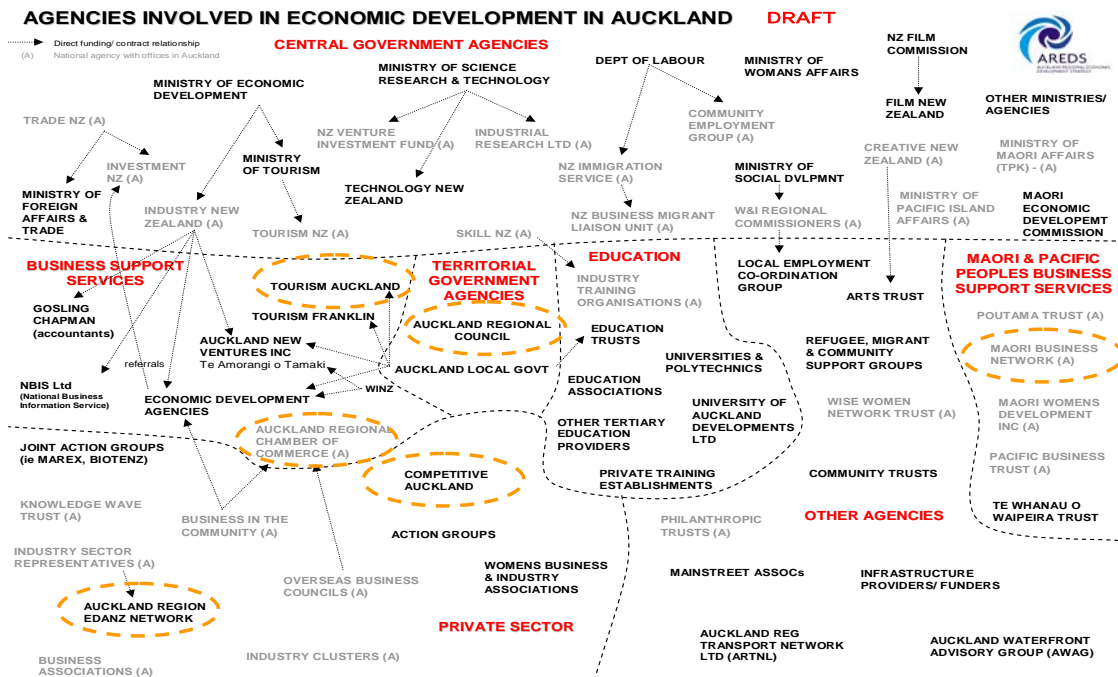
A key emerging institution in local facilitative economic intervention was the local economic development agency (EDA), often a stand-alone trust in charge of stimulating local employment and business opportunities and accountable to the respective councils. Compared with the other New Zealand regions, it is interesting that on average, these economic development institutions in Auckland were founded later. In Dunedin for example, the prediction among local decision-makers that the promotion of the local economy would become a purely local responsibility after the neoliberal state restructuring led to the establishment of one of the earliest economic development units in the country in 1985 (Welch, 1996). In Auckland, local economic development institutions first appeared around 1993 and 1994, at a time when the restructuring impact was most severely felt among local business, employment and communities.

While Table 3-1 shows that by far the most of actual economic activity in the region falls into the jurisdiction of Auckland City, somewhat paradoxically, there was a six year gap in which no economic development institution existed there. While founded in the early 1990's, it would be dispensed shortly after because of the recognition that the city has an “important role for the region” (Local government manager, Informant 14a, 2004), which could not be adequately (full) filled within the institutional model of an agency. Rather, this council would support other region-wide operating organisations such as the tourism promotion agency ‘Tourism Auckland’ and engage in the development of sister-city relationships (Informant 14a, 2004).

An interesting arena to demonstrate the impact of neoliberal restructuring on the institutional dimensions of the local state is the economic development policy realm. Under neoliberal conditions, a multitude of local actors emerged in this intervention area. Figure 3-1 shows the large variety of local organisations that have a role in

providing economic development services to Auckland's businesses and communities. These organisations comprise central government agencies, business support services,

Figure 3-1: Auckland's Key Economic Development Institutions and Linkages in 2001



Source: AREDS (Stannard, 2002)

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. There are formal actors involved such as government departments, local councils and agencies, as well as more informally working arrangements such as groups, networks and associations. Overall, the degree of institutional complexity is striking.

Emerging Regional Collaboration

Guided by a deeply competitive rule-set under the neoliberal framework, already existing antagonism deepened within Auckland's local councils, and between them and the ARC, throughout the early years of the post-restructuring period. Regional planning in the 1990's in Auckland, therefore, was far from un-problematic. An example is the proposed Auckland Regional Policy Statement, a legislative requirement of the RMA, which had been developed by the ARC in 1995 in order to accommodate population growth and to adopt a strategic direction for intensified housing and infrastructure

planning. Part of this framework was the ARC's proposal to set metropolitan urban limits for Auckland, a policy move that has been a particularly contentious issue of local, regional and national significance. In this context, Cooper (1996, 302) contends that "locally, this proposal has affected the urban development plans of both landowners and local authorities; regionally it has implications for the implementation of sustainable management; and nationally it impacts on the interpretation of the RMA".

Problems facing the whole region, however, proved difficult to tackle in a largely antagonistic local state culture. Thus, local politicians started to act in more collaborative, and often semi-informal manner, to coordinate decision-making processes. Institutionally, these initiatives found expression in a range of fora on two key levels of the local state: the Auckland Region Mayoral Forum at key elected decision-maker level and the Chief Executive Officer Forum (CEO-Forum) at key appointed decision-maker level. As Manukau's mayor points out: "[t]en years ago, the Auckland Mayoral Forum was founded. We decided in fact, to unify Auckland by working together. The Mayoral Forum doesn't make decisions but makes recommendations to the TLA's for consideration. 99.9 percent of them are implemented. It gets advice from the CEO-Forum" (Mayor, Informant 41, 2004). While these collaborative arenas were described as almost dysfunctional in the beginning, increasingly local actors 'had to hold hands' in order to present a more unified interface to central government and to better coordinate local issues (CEO, Informant 43, 2004). The Auckland Region Mayoral Forum (2000) was also influential in constructing the Auckland region as a uniform entity, one which faces common challenges and can pursue common policy responses. In this context it points out that

...the Auckland region is unique in New Zealand...rapid growth in the region is placing considerable pressure on physical and social infrastructure, the economy and the environment while also creating enormously complex urban challenges very different to those anywhere else in New Zealand. [Therefore] these pressures are demanding a more flexible and more integrated approach to the delivery of services and decision-making. (Auckland Region Mayoral Forum, 2000, 2)

Central government - local government relations had been difficult for a long time for reasons of cultural differences and competing powers between the political and economic centres of New Zealand. But there had been a gradual realisation during the

course of the 1990's among political leaders that building closer relationships with central government is key to successful governing the various domains of socio-economic life in the city-region. This heightened awareness was partly borne out of perceived crises in various policy areas - in particular in land-use and energy delivery - that constituted more or less direct outcomes of the comprehensive political reforms and the profound economic re-structuring of the 1980's and early 1990's. Slowly, new collaborative ties were created between both tiers of the state, which in the beginning encompassed mainly advocacy relations.

The previous section illustrated the complexity and multiple trajectories of Auckland's transforming local state and its strategies to intervene into local and regional economic and non-economic processes under new conditions emerging from neoliberalisation. In particular, it highlighted how intra-regional competition for investment increased while in specific policy areas, region-wide collaboration emerged. It was also shown how the spatially uneven effects of economic restructuring on Auckland's people, communities and businesses triggered different responses by Auckland's local TLA's. These patterns apply to and reflect largely institutional and material dimensions of governance in Auckland. The next section will outline to key discursive aspects of politically managing the economic and wider territorial processes in the New Zealand and Auckland contexts, as well as discuss the changing role of Auckland in national policy discourses.

Key Discourses and Conceptualisations on Economic and Territorial Processes and their Management

Economic and Regional Development Discourses

During the 1980's and 1990's, economic discourses circulating at the national scale in New Zealand emphasised the roles of markets in resource allocation, and competition in rule-setting. In the earlier stages of the neoliberal reforms, discourses focused on the macro-economy while in the latter phase more emphasis was placed on micro-economic interventions. A key institutional site for creating and promoting these interventions was central government's treasury department. Increasingly, these economic discourses became intertwined with concerns for the environment, a discursive trajectory that set the foundation for the new RMA-enshrined planning and development paradigm at local

and regional scales. In this perspective, the environment had been narrowly constructed in bio-physical terms, leaving out wider concerns for human processes. Besides, the whole language of public policy took an economistic turn, allowing business language to enter policy documents and policy makers' minds.

Recent national economic policy discourses have largely ignored the role of space and place in the shaping and reflecting of economic trajectories. This is in contrast to New Zealand's longer public policy history, where ideas combining space and development have had profound influence on policy making. After World-War II, it was claimed that there existed a national innovation system based on land and resources that supported the dairy industry, sheep, beef, horticulture, crops, forestry and marine industries. This state-led system, built around science, education and firms and founded on long investment periods as well as industry-centred research capabilities, was highly productive in mid twentieth century (Le Heron, 2005a). After the dismantling and disintegration of the old land and resource based national innovation system under economic restructuring, it may be too early to speak of a newly emerging national innovation system based on knowledge-based resources such as creativity and innovation in New Zealand today.

However, discourses about economic and territorial processes reconsidered ideas about the role of space after non-spatial perspectives on the economy prevailed in the earlier stages of the reform project. A very influential idea of the 1990's has been the 'cluster' concept. This idea had been promoted extensively by US-Academic Professor Michael Porter who visited New Zealand several times in recent years (see Crocombe *et al.*, 1991). Not surprisingly, policy makers in New Zealand have taken up this idea of the spatial organisation of economic activity on sub-national scales vividly. However, the usefulness of its application to New Zealand's particular economic conditions has been questioned (Le Heron, 2005a). Ideas on value or commodity chains have received much less policy attention, although the use of the 'chain'-concept in spatial economic theorisation has gained importance over recent decades. The key value of this analytical tool lies in its ability to link together discrete functional stages of the production and the consumption of a good or service, which allows observers and actors to identify relationships and interdependencies between these stages, and importantly, to analyse the distribution of some key properties such as value or power. Indeed, Le Heron and

McDermott (2001) base their critique on contemporary policy approaches to Auckland's development on their observation that value chain considerations are largely ignored by New Zealand's policy makers.

An analysis of discursive dimensions of sub-national economic governance must pay attention to the recent history of policy- and academic thought on specifically regional intervention, or regional development. In this context, it can be said that while "New Zealand has shared with all capitalist economies the experience of uneven regional growth in productive investment, output and population" (Perry, 1992, 240), regional differences are smaller than in, for example, European countries or the USA (Bradford, 1977). As a young, pre-industrial nation (Franklin, 1978), regional problems associated with industrial decline are less severe in New Zealand than elsewhere. Politics and policy frameworks around regional development, regional planning and regionalism emerged seriously no earlier than in the late 1960's. The 1970's economic recession resulting in part from the global oil-crises triggered a short phase of intense central state mediated investment in energy and resource sectors ('Think big' projects) under the programmatic label of aspiring national self-sufficiency from global energy markets. Douglass (1977) interpreted the appearance of regional policies in the context of local planning. He called for more national leadership in the planning arena and urged that growth must be controlled by some measure by government policy, including regional planning and policy intermediaries.

Not everyone agreed with regional state intervention, or shared the optimism of the policy elite in influencing spatial economic outcomes. McDonald (1969) for example stated in the late 1960's that spatial government intervention was not warranted under contemporary conditions of accumulation. A general critique of the ability of policymakers to intervene in regional capitalist processes comes from Le Heron. He contends that

...one significant consequence is the unrealistic expectations of government and business about intervention. Consideration of the gap what government policy implies, or is sought to imply, and what it achieves is hampered by theory that provides no guidance on constraints inherent in the state-economy relations. This gap has two elements. Firstly, claims relating to growth are often unattainable because the power to make investment decisions almost always resides in the private hands. Secondly, assertions about controlling

the effects of growth are difficult to accomplish in practice because apportioning social costs amongst private investors may jeopardise profitability. (Le Heron, 1987, 264)

He further explained that the 'region' needs to be understood as a series of actors; it is about organisations, investors and people. He claims that regional policies often fetishise spatial links and measures, and underestimate the difficulties to affect the resource allocation behaviour of private investors under capitalist conditions. Le Heron also contends that "uneven growth originates chiefly from uneven accumulation by the organisations of the economy, and to a lesser extent, by the activities of the state" (ibid).

The Fourth Labour Government (1984-1990) and Fourth National Government (1990-1999) both abandoned regional development policy initiatives as they sought to focus the role of central government on providing macroeconomic stability and a policy framework in which individual producers and consumers could make their own economic decisions (Dalziel and Lattimore, 2004). In keeping with the theory underlying the reforms, there were no explicit regional development policies during that period. Regional economies were expected to benefit from general policies to achieve macroeconomic balance, while any attempt by the government to assist one region was considered likely to fail and to be at the expense of other regions. Thus, the central state withdrew from regional intervention (although not totally) leaving economic intervention to local policy arenas. As a result, local economic development initiatives became the new form of assisting regions which can be associated with the desire to mitigate the adverse social and economic effects of the redundancies in the wake of the disestablishment of state-owned enterprises in 1987 (Perry, 1992). Government assistance focused on two parallel initiatives: small business programmes focusing on enterprise development and community-led programmes aimed at supporting individuals and groups, in particular the unemployed.

During the early post-restructuring period, local economic policy discourses in Auckland increasingly shifted to neoliberal language that has been marked by an emphasis on local differentiation, place promotion and spatial competition for investment. Local councils became to understand themselves largely as competing for scarce resources. These antagonistic political and policy mindsets were expressed in the use of neoliberal imaginaries such as 'edge city', as well as in the way policy

assumptions and aspirations were phrased. For example, Manukau City compared itself with “many other jurisdictions which we are in competition with” (MCC, 1997, 4). This antagonism among local political actors contributed to perceptions of a ‘balkanised Auckland’ (Private sector manager, Informant 18, 2004). For most of the 1990’s, local policy discourses were largely constructed as marketing discourses, implying that economic growth is based on attracting non-local capital. Interesting in this context, it was Manukau City, the city hardest hit by the restructuring outcomes in the Auckland region, which first started to employ ‘strong-worded’ strategic economic discourses aimed at turning around its fate of the perceived ‘poor corner’ of the Auckland region (MCC, 1997).

Discourses on Globalisation, the Knowledge Economy and Sustainability

In the post-restructuring period, economic discourses circulating in New Zealand’s national and sub-national political circles and public policy spheres have increasingly shown a sensitivity to scale, as questions of global market access have become a more important issue for policy makers. In the 1980’s and 1990’s, discourses related to globalisation were a small sub-theme of wider discourses on the market-led economy emphasising privatisation and efficiency. They focused on the opening of borders to economic flows in and out of New Zealand in order to improve international competitiveness, and globalisation emerged as the political strategy for achieving this (Larner *et al.*, 2005). Globalisation entered policy thinking in two forms: the attraction of capital - in the form of increased international investment - and the attraction of labour in the form of highly skilled migrants. While conditions for re-building local-global connections were changed, little was known and said on how local-global connections might be built and re-built (*ibid*). Emerging conceptualisations about globalisation in the 1990’s are well described by Larner *et al.* (2005, 8):

Rather than protecting the domestic economy, the aim was the linking of domestic activities into the flows and networks of global capital. Initially this was premised on a vision that New Zealand would serve as an English speaking platform for multinational companies seeking to enter the Asia Pacific. Opening up the domestic economy and ensuring that ‘the fundamentals were right’ was to attract additional foreign direct investment into Greenfield operations. A low wage flexible labour force was critical to this vision. By the late 1990s, however, this formulation of the globalization project had begun to change. A new discussion about the need to seek out niche market,

high value activities emerged. It was at this point that the globalization project began to be explicitly linked to a new political project; that of the Knowledge Economy.

The a-spatial economic policy framework that guided thinking in central government's policy apparatus had no regard for considering the distinctiveness of place. Thus, Auckland's specific role and position in New Zealand's urban and economic fabric was largely ignored in policy thinking. It was in the late 1990's, however, that an increasing understanding of globalisation as an embodied project shifted the policy spotlight to migration outcomes and settlement challenges. This, almost by default, has put Auckland as the main recipient of migrants from often 'non-traditional' source countries in Asia and Africa (Friesen *et al.*, 2005) in the centre of social policy considerations.

The knowledge economy discourse puts an emphasis on the better use of inputs into economic activity, the role of knowledge in the production process, basic and applied research and the use of modern technology. In the New Zealand context, the knowledge economy project can be traced back to the early 1990s. Early discussions were marked by technological determinism as "a greater emphasis on information and communications technologies (ICT's) was understood to be the key means by which New Zealand would overcome the 'tyranny of distance' and release the creative potential and knowledge embodied in people" (Larner *et al.*, 2005, 10). The activation of this discourse was thought to help New Zealand raising its relative international performance as it was slipping further and further down various OECD league tables. Throughout the decade, a series of initiatives were started to promote knowledge related dimensions of economic activity. Larner *et al.* (2005, 10) sum them up:

The Ministry of Research Science and Technology identified that a relatively low number of science and technology graduates [existed] in New Zealand, and low levels of investment in research, science and development. It was argued that increasing the number of science and technology graduates would allow New Zealand to move away from its traditional reliance on primary industries and establish clusters of 'added value' and 'high technology' industries...In 1998 it was the 1998 Foresight Project in which the Minister of Research, Science and Technology asked groups with common interests to develop future visions for their sectors and to identify the knowledge, skills and technology that would be needed to fulfil these visions... The 1999 Bright Futures package was designed to encourage a focus on 'enterprise and innovation' in New Zealand's [research funding].

While Auckland is the host-region to many knowledge-producing organisations such as universities, private sector research facilities and technology-rich firms, no explicit reference to Auckland was made in policy discourses on the knowledge economy.

Sustainability has been described as one of two key international tendencies in this decade besides globalisation (Le Heron, 1994). Sustainability as an idea has appeared in New Zealand in a number of guises over more than a quarter century (Larner *et al.*, 2005). The concept of sustainable management on which the RMA is premised, relates to the notion of sustainable development. This idea had reached popularity in the 1980's through the Brundtland Report (Brundtland, 1987). The notion of sustainable development can be interpreted as a summary concept of the ideas of biophysical sustainability (describing the biophysical limits to human activity), social sustainability (that greater degrees of equity within and between both generations and countries should be pursued) and economic sustainability (that the quality rather than the quantity of growth is of importance) (see Grundy, 1993, and Stoker and Young, 1993). The birth of the RMA must be seen in the context of an increasing interest in environmental sustainability in New Zealand in the 1990's (Pawson, 1996b). However, sustainability is also said to be "an ambiguous object of governance. Like all key words, sustainability is doing different work to what might initially be assumed. This comes from how sustainability narratives are constituted, out of different situations, by differently positioned actors" (Larner *et al.*, 2005, 13).

Sustainability considerations have also influenced thinking on Auckland's local governance level. In 1994, WCC became the first place in New Zealand to adopt the principles of agenda 21, the global action plan for sustainable development in the twenty first century (Magee, 1996). This framework is built on explicit goals and a clear vision, integrated planning, people-centred programmes and affordable strategies and actions. This example shows how broader discourses on economic and social transformation emerged in, and were translated to suit, local governing contexts in Auckland. It highlights the fact that discourses governing thinking on economic and territorial processes and on socio-economic interventions - such as those on sustainability, globalisation and the knowledge economy - travel across contexts and scales. At the same time, they require actors that mobilise, embrace and re-cast these ideas to use them for particular governing work. Another type of discourse that has

influenced and has reflected policy and academic thought in different ways over the last four decades concerns the role of Auckland as a distinct place in New Zealand's socio-economic fabric, which - at times - warranted a particular national policy approach. The next section discusses this topic in more detail.

Auckland in Political, Policy and Economic Discourses

The problems of governing a township are nominal, those of a city formidable, those of a metropolis forbidding, and those of a megalopolis, insoluble. (Bush, 1977, 238)

The wisecrack about there being three parties in Parliament – National, Labour and Auckland – has a universal flavour. (Bush, 1977, 252)

This sub-section highlights changing policy thinking on Auckland and its academic critique over the course of the last decades. Therefore, it enables recent and emerging policy discourses and practices to be understood in the wider historical context. Policy and academic discourses involving Auckland have appeared only a couple of decades ago. Previously, Auckland's rapid growth and associated opportunities or problems had been largely ignored in the literature. Auckland and its role in New Zealand had been somewhat taken for granted. It was the publication of the book 'Auckland in Ferment' that brought together "for the first time a series of essays devoted to the development, contemporary status and future problems of New Zealand largest city" (Whitelaw, 1967, vii).

Policy discourses in the late 1960's started to construct the city-region in negative terms. Its particular role as New Zealand's biggest city and locus of unparalleled growth threatened the prevailing policy paradigm of spatially 'evening out' growth. Discussions about the optimal size of the city and decentralisation policies emerged (Scott, 1977a). The latter included considerations by the National Development Council and its regional development subcommittee for creating disincentives for firms to locate in the region and the development of substitute cities to pull growth away to other New Zealand locations. The general problem-laden discussion on Auckland which emerged (see Bush and Scott, 1977) is summed up by Bush (1977, 238), who finds that Auckland "is rapidly approaching the status of a megalopolis with insoluble solutions".

The emerging policy debate on artificially constraining urban development in Auckland, or stimulating growth elsewhere in the country, had received critique from both, policy and academic sides. McDonald (1969, 2) argued from an applied economics and policy perspective that “government should not intervene directly at the present time to influence the pattern of regional development”. Academic contributions to this debate came in particular from geographers (see Bloomfield, 1967; Cumberland, 1971, and Le Heron, 1987). Cumberland (1977) for example advocated policies which - rather than dealing with limiting the size of the urban area or population - should focus on the quality of growth. Scott (1977b) contends that “Auckland must be viewed as a component in the New Zealand’s space economy, rather than as an economy in isolation” and points to the value of Auckland to the national economy when she remarks that “[g]eographers have noted that large cities generate substantial regional and national benefits as they act as centres of innovation, breeding high levels of technology and entrepreneurship and subsequently filtering new technologies to smaller centres in the urban hierarchy” (176). She makes the key point that Auckland functions in precisely this way within the New Zealand economy.

Often academics have highlighted the thin base of knowledge on which policy thinking is based on. Scott (1977b) argues that such policy approaches lack an understanding of the process of urban growth and may have only limited success. Taylor and Le Heron (1977) criticise the lack of knowledge around the processes shaping the Auckland agglomeration in relation to the rest of the country. They emphasise the need for research around the topics of spatial economic linkage systems, the area of technological change, the field of informational networks and the domain of industrial location preferences which all have profound influence on understanding the underlying factors for economic processes and business activity patterns in the Auckland economy. If knowledge was properly applied than there was evidence to demonstrate that Auckland, the country’s fastest growing region, was also it’s poorest with respect to material possessions and affluence (Taylor, 1976).

The political and institutional architectures within which policy decisions for Auckland in the 1960’s and 1970’s were made had received widespread attention too. In this context, the particular role of central government for Auckland had been emphasised. Boileau (1977) for example states that central government policies are the ones that

have the most direct influence upon the rate of economic growth and hence, population growth. Connelly (1977) reinforces this statement by arguing that the “present local government lacks the financial and statutory ability to mount the necessary development programs” to implement growth strategies (279). Roberts (1977) points to political struggles associated with large cities as those “are a thorn in the side of central government largely because they have such high political visibility. ...[W]hen they are a major regional development pole ingesting people and industry from other areas, resentment generates considerable political pressure upon central government” (260). The longstanding cultural differences between the political and the economic capitals of New Zealand - Wellington and Auckland - have received interest too. It is argued that there is something like a cultural divide between people in Auckland and the rest of the country, a phenomenon that had become known as the ‘Bombay Hill Syndrome’ (named after a dividing mountain range south of Auckland). Finally, Bush (1977) showed that policy intervention in Auckland is indeed a difficult task. He particularly criticised local antagonism in Auckland’s governance where “too often inter-local body exchanges are by stiff, formal correspondence, or do not occur at all” (250).

This section reviewed discourses and the underlying ideas on economic and non-economic aspects of development in New Zealand and Auckland in the context of the early post-restructuring years. It outlined the shifting content of recent economic and regional development discourses, discussed particularly important themes in the governance of New Zealand’s economy and society, and reflected on the changing role of Auckland in post World-War II political and economic discourses. By focusing on the ‘discursive’ in governing, these insights allow a richer understanding of the context of contemporary interventions in Auckland. The last section of Chapter Three will pay attention to the diverse outcomes of economic restructuring on actors and activities in Auckland.

Economic and Non-economic Outcomes for Post-Restructuring Auckland

Implications for Investment, Businesses and Labour

New conditions created by the neoliberal reforms of the 1980’s and early 1990’s resulted in spatially divergent post-restructuring trajectories for economic sectors and

regions in New Zealand over the course of the 1990's. This was due to the great variety of regulatory responses which resulted as outcomes of territorially situated contests over the mediation of various economic, cultural and environmental processes after the largely state-centred regulatory apparatus of the previous period had been dismantled (Le Heron and Pawson, 1996a). Auckland, the country's largest city and centre of the import substitution economy, had been particularly affected by profound economic restructuring. This section highlights particular trajectories in the areas of population, workforce composition and employment, business, industry and economic linkages across national and international space.

During economic restructuring, Auckland was seen to perform quite well in comparison to other regions. The Ministry of Works and Development (MoWD, 1987) found that the state of the Auckland region in the middle of the transformative period was relatively good compared to the rest of the country, in particular in comparison to so called transitional regions such as Hawke's Bay and Taranaki, but also compared to peripheral regions such as East Cape and West Coast. This was seen as a result of the booming property and financial sectors. However, the 1987 stock market crash resulted in the end of the rapid rate of downtown redevelopment and the loss of high income and managerial work positions. By 1991, Auckland's unemployment had risen to the third highest in the country (Britton *et al.*, 1992). Over the course of the 1990's though, Auckland's economy recovered substantially.

Auckland has been New Zealand's largest and fastest growing region. Current population growth averages 1.5 percent a year which is significantly higher than for New Zealand as a whole. In fact, the growth of the population equals the addition of one city of Dunedin to the Auckland region every four years (RGF, 1999b). This growth pattern is primarily triggered by international immigration, which has been aided by a policy environment which aimed to remove barriers to local-global links. As a result, the city-region has been the biggest recipient of immigrants over the last 15 years. Among the high numbers of international migrants, the region features a particular influx of people from diverse and non-traditional sources countries. For example, in 2001 Auckland's share of Pacific Island- and Asian-borne immigrants amounted to 72 and 64 percent respectively (Market Economics, 2002).

The rapidly growing local population fuelled a strong consumption-led development pattern throughout the 1990's, involving rapid land-based development and the rise of services sectors. In 2001 for example, the production of tangible goods accounted for only 22 percent of the region's total employment while consumption-related jobs accounted for more than double (Le Heron and McDermott, 2001). This trend helped the Auckland economy to recover and to achieve robust growth rates in the mid-1990's after heavy adjustment costs were paid by business and people in the previous years. Seen from a broader policy perspective however, not only the production side of Auckland's economy suffered under the new conditions, central state investment into local infrastructure such as roading, public transport and sewage was not sufficient either (Local government manager, Informant 16, 2004).

The impact of restructuring on business has been marked by a variety of trajectories. One overall trend has been a shift to a more competitive business environment, which triggered competitive upgrading of firms (see Britton *et al.*, 1992). The size of firms operating in Auckland has been reduced. Many small firms have engaged in contracting work. A lot of the growth sectors in Auckland's economy consist of small and very small businesses (AREDS, 2002a). For example, the firms of the highly growing property and business services sectors on average only employ 1.69 people. Interesting also is the spatial distribution of different business sizes which show that smaller businesses are located in the peripheral councils of Franklin, Papakura and Rodney. Another trend has been a shift towards industrial concentration as New Zealand's industries became to be dominated by a few large companies (Hayward, 1996). This pattern can be understood in the context of shifts in company strategy from internal integration, or maximising market share in New Zealand, to external integration, or enhancing overseas connections to increase the scale of operation.

The effects on work force, labour markets and employment have been profound too. After initially rising unemployment associated with the lay-offs in state-owned enterprises and industries of the import substitution sector in the late 1980's and early 1990's, rapid employment growth has occurred. New jobs were created in particular in services and service-related jobs, leading to - by international standards - a very low rate of unemployment. Table 3-2 provides an overview of changes in Auckland's employment between 1996 and 2001 in which property and financial services, health

and community services as well as education increased strongly, while manufacturing and government services lost a significant amount of jobs. It also demonstrates the Auckland region's share of national employment. The sectors of wholesale trade,

Table 3-2: Changes in Auckland's Employment by Sector between 1996 and 2001 and its National Employment Share in 2001

<i>Industry</i>	<i>Relative Size of Employment in 2001 in Percent</i>	<i>Change between 1996 and 2001 in Number of Jobs</i>	<i>Auckland's Regional Share by Employment in 2001 in Percent</i>
Agriculture	1.8	- 1000	6
Mining	0.1	- 75	9
Manufacturing	14.3	- 5000	35
EGW	0.3	- 500	26
Construction	6.4	- 5000	34
Wholesale	8.0	+ 4000	51
Retail	11.0	+ 3000	32
Accommodation etc	4.0	+ 3000	28
Transport/Storage	4.5	+ 3000	39
Communication Services	1.7	+ 500	39
Finance/ Insurance	4.0	+ 2000	43
Property/ Financial Services	14.0	+ 15000	44
Govt Administration	3.0	- 3000	23
Education	7.0	+ 8000	29
Health/ Community Services	7.0	+ 8000	29
Cultural/ Recreational Services	3.0	+ 4000	35
Personal/ Other Services	4.0	+ 2000	32
Overall	100	+ 46000	34

Source: AREDS, 2002/ Market Economics, 2002/ Crothers, 2002

property and business services, finance and insurance stand out with their above proportional representation in Auckland. A lot of the new jobs were of a flexible nature, with part-time and temporary employment contracts rising in importance among an increasingly flexible workforce. Interestingly, job churning has become a key feature of Auckland's job market as the average length of people staying in a particular job accounts to approximately only two years (ARC, 2002a).

Intensification of New Zealand's Local-Global Economic Flows and Auckland's Rising Marginalisation

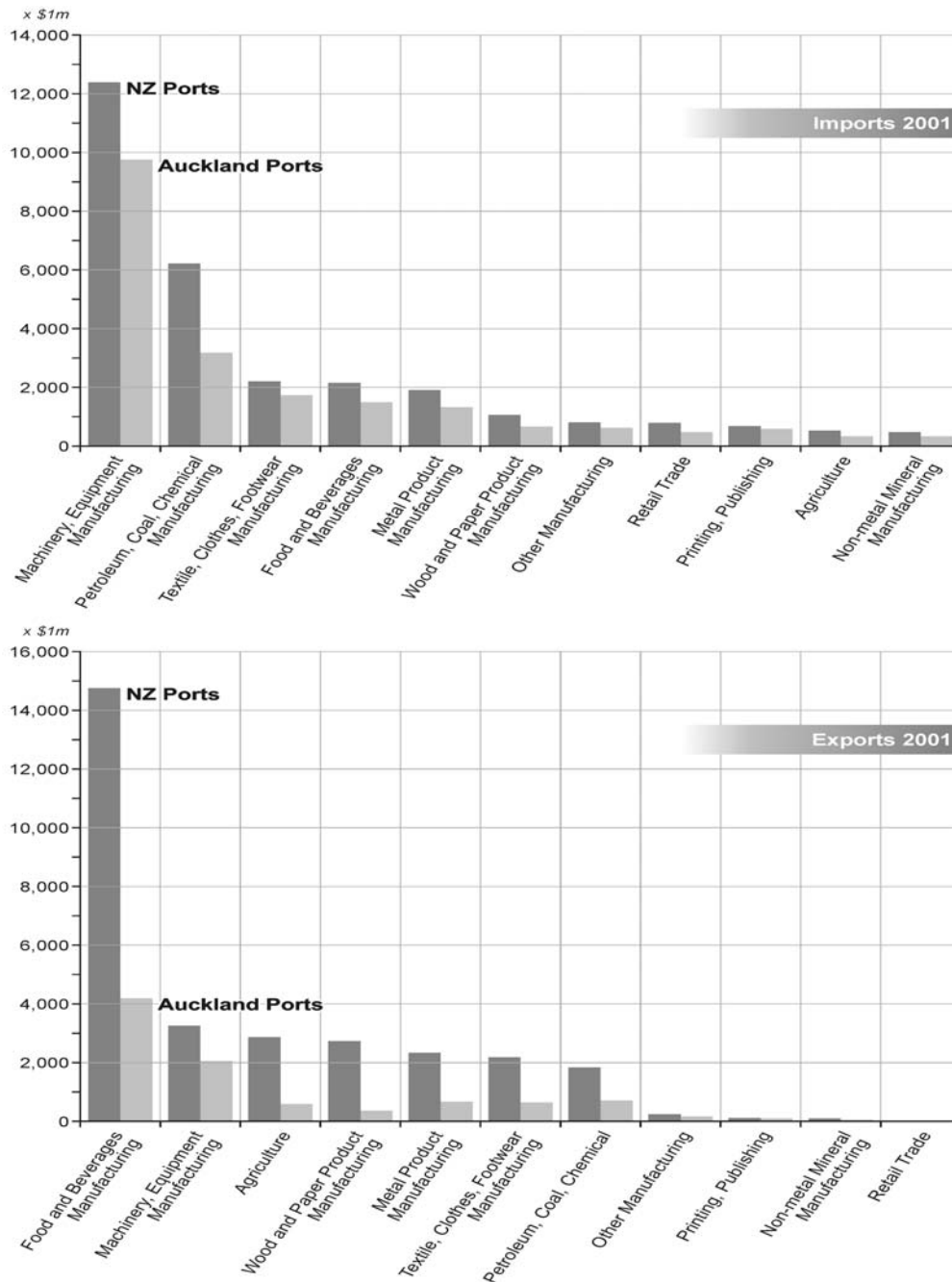
The emerging national and global links of the Auckland economy are sketched out below. Restructuring led to a marked repositioning of the city-region in the national and international division of labour. In this context, the fate of Auckland has been similar to the rest of the country. Local-global interactions have intensified over the last two decades as neoliberal re-regulation and the removal of protectionist borders have created conditions for New Zealand people, firms and localities to become part of

rapidly integrating global financial, trade and production networks (Le Heron and Pawson, 1996a). As a result, the economic environment had been reworked to reduce business costs, allow competition between economic actors to promote efficiency and allow flexibility in labour markets.

Initially, economic restructuring meant exposing New Zealand firms and people to global economic forces without protection (Britton *et al.*, 1992). In the 1980's and early 1990's, the new situation led to an internationalisation of production, in particular in the resource sectors. This shift has been described as the move to off-shore investment and production sites by national capital; the serving of local markets by production units owned or controlled by overseas based producers; the degree to which local economic activity is affected by global capital flows and production systems; and the extent to which domestic macro and microeconomic policy is shaped by external conditions (Britton, 1991; Britton and Le Heron, 1991).

Auckland has been a key site in these processes of New Zealand's integration in of financial, trade and production networks. It has long been considered the gateway between the country and the world based on the flows of economic resources such as money, goods, people, ideas and a rapid transfer of technologies. Today, the port and the airport play a pivotal role in the regional and national economies, handling almost three quarters of the country's imports, and 40 percent of exports (JOG, 2003; see Figure 3-2). Clearly, the New Zealand and Auckland economies are interlinked and co-dependent. An example is the extent to which Auckland businesses serve the needs of other regions. Recent data suggest that nearly 30 percent of the rest of the country's wholesale trade needs are met by Auckland businesses, along with 18 percent of business service needs, 17 percent of finance service needs, and 13 percent of communication services needs (Market Economics, 2002). Essentially, Auckland serves New Zealand as a centre of import and wholesaling. However, while global participation favours Auckland over other New Zealand regions in some areas, available information on the level of foreign ownership - which is generally aligned with larger businesses - suggests that Auckland has proportionately less than the New Zealand average (*ibid*).

Figure 3-2: Auckland and New Zealand Imports and Exports by Sector (\$m) in 2001



Source: AREDS (Market Economics, 2002)

Note: The category 'Ports' includes both airport and seaports

Auckland has been increasingly integrated into emerging globalising networks and circuits of consumption, namely in tourism and entertainment areas. This trend makes it the sole city in New Zealand to 'claim world city status' (Murphy, 2003). The urban and waterfront redevelopments that can be partly associated with hosting the prestigious America's Cup yacht race twice at the turn of the century helped to increase such

connections. Recently, Auckland became the centre of New Zealand's export education industry with particularly strong links to Asian countries such as Korea and China. Internationally, Auckland has been constructed as part of both, the Australasian economy and its city system, and the wider Pacific Rim city system. The Australasian economy is reasonably well developed and integrated; and it is also highly urbanised as the last 100 years have seen economic activity and population increasingly concentrated into the larger urban economies including Auckland (Market Economics, 2002). Today, free trade agreements with the US and China are becoming more important because both, New Zealand and Australia, are seen as just too small to offer many positive effects through closer integration (NZBR, 2001). Thus, Auckland is increasingly imagined as part of an emerging Pacific Rim city system involving the bigger metropolitan places with English speaking populations in Australia, the city-state of Singapore and the larger port cities in Canada and in the US (NZIER, 2002; see also Le Heron and Park, 1995, on the 'Asian Pacific Rim' region).

However, recent analyses have begun to acknowledge the problem of increasing economic marginalisation of the city-region from a global viewpoint. Only very recently has this issue become an openly acknowledged policy concern. Le Heron and McDermott (2001) argue that Auckland is increasingly excluded from key economic processes as local development has shifted from production-centred economic activity to a focus on local consumption and services. This marginalisation has been the more severe as even its traditional role as a physical gateway between New Zealand and the world became fragile with other locations re-positioning themselves favourably in regards to port-mediated exporting activities. Finally, they claim that with the internationalisation of New Zealand's resource sectors even Auckland's contribution as a business service hub to national businesses is reduced. Thus, global participation has become a crucial policy challenge for the region; and territorial and industrial policy approaches targeting the inclusion into globalisation processes as the way to secure profitability for local economic actors are necessary responses.

Emerging Policy Problems in Non-economic Areas

The impact of the intersection of local, national and global processes in economic, social, cultural and environmental areas created trajectories that are now considered policy problems for Auckland. In the mid-1990's, rapid population growth became a

key topic for intervention as the region was by far the biggest recipient of New Zealand immigrants. To help these people in settlement and employment areas is posing considerable challenges for local policy communities now. The neoliberal reworking of economic and social relations also increased social polarisation. Initially, unemployment for workers affected by the economic reforms caused the biggest social problem. Later, patterns of increasing social polarisation emerged that resulted in people and families being driven out of high-cost inner-city residential locations to cheaper suburban housing. This trend created new social costs like overcrowding and poor health among the people concerned (Cheer *et al.*, 2002).

In the cultural sphere the impact of restructuring proved to be severe too. For example, the integration of the thousands of newly arrived migrants from often non-traditional source countries had by large been under-valued as a policy topic, under-resourced as a service and overall, poorly coordinated. Another key issue has been the servicing and upgrading of the region's expansive infrastructure network including roads, water pipes, storm-water and sewage as well as electricity networks. Finally, a policy field which very recently felt the impact of problematic post-restructuring development trajectories is the sphere of environmental protection and heritage. In this context, increasing development activity in the 1990's often compromised these societal values. A former regional councillor puts it very bluntly:

They don't put a value on heritage and environment...Development in Auckland has been uncontrolled and irresponsibly driven by money. Albany has been destroyed. What we need is urban design. But it's almost too late; huge damage has been done. We have the most beautiful harbour and the ugliest city. (Informant 5, 2004)

In conclusion, economic restructuring had particular implications for actors and activities in Auckland. Competitive upgrading of business, increasing flexibility of labour, investment in consumption rather than productive economic infrastructure, the intensification of international migration into the region as well as Auckland's rising marginalisation in terms of local-global economic flows were among the key trends and outcomes of rapid economic transformation for New Zealand's largest city-region. Emerging policy problems were perceived largely in relation to rapid population growth and negative impacts in environmental and heritage areas, while economic growth had been taken for granted. These socio-economic development patterns and policy trends

of the early post-restructuring years form the context in which new governance initiatives have emerged, and in which contemporary interventions have aimed to achieve influence on actors and processes.

Conclusion: New Challenges for Understanding and Influencing Economic Governance in Post-Restructuring Auckland

The previous sections brought together contextually relevant knowledges to outline New Zealand's and Auckland's recent political-economic changes and their implications for state-economy relations; and for state processes. They provided insights into the intense neoliberal restructuring of the national economy that occurred from the mid-1980's until the mid-1990's. They also highlighted the new conditions faced by state actors, investors and people in the post-restructuring years, a time period that can be defined as stretching from the mid-1990's until the current moment. Importantly, they sketched out how actors in Auckland responded to a new environment. In the latter context, it was discussed how the local state has transformed itself, and consequently changed its relationship and interactions with capital interests. Finally, a range of discourses were identified that have shaped thinking on economic processes and their management. As a result, a set of practical and theoretical questions can be posed in this concluding section that - in combination with those arrived at in the previous chapter - guide empirical investigations.

The recent historiography of New Zealand's political economy shows that under a neoliberal political-economic framework, the central state removed itself from direct economic management in the regions, and increasingly acted 'at a distance'. At the same time, the local state responded by shifting to a facilitating mode of engagement with economic interests. State processes themselves underwent redesign along efficiency and transparency lines that created considerable institutional fragmentation and narrow output-focused interventions. On a discursive level, circulating policy discourses emphasised the primacy of market governance, state regulation of negative environmental effects, globalisation as an opportunity for market access and cheaper economic inputs, and the knowledge economy as a means to create a better mix of resources through innovation. Simultaneously, discourses and emerging practices focusing on more balanced approaches between economic and non-economic processes

emerged in form of circulating policy texts and programs on sustainability, as well as in Auckland's urban intensification policy arena under the RGF framework.

Auckland's businesses and labour responded to the new conditions set out by restructuring differently. The former went through a wave of competitive upgrading, the latter became more flexible. These shifts involved the proliferation of smaller-sized firms and an emphasis on learning among the workforce. Overall, there has been a focus on consumption-led and land-based investment strategies. The domestically focused economic approach became partly possible through the in-migration of people from other parts of the world; a result of more open national migration policies that contributed to the creation of ongoing local demand. The local-global flows in production, labour, trade and finance circuits that intensified under the new conditions intersected with local and national processes, which in combination created trajectories that constituted new policy problems. These included pressures on land and infrastructure through rapid population growth, social polarisation, rapid cultural diversification, environmental degradation and heritage loss.

Auckland's overall restructuring experience then, importantly, is predominantly one of economic growth, not of decline. 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. As a result, while most primary sectors in New Zealand became included in processes of global economic integration, Auckland has increasingly become marginalised in comparison to other places. Local policy makers however saw - until very recently - no reason to challenge their domestically-focused economic development policy paradigm for the region.

From the insights provided, new challenges for understanding and influencing economic governance in post-restructuring Auckland can be framed. Thus, this chapter concludes with a range of issues that will guide the empirical work. One issue is the effectiveness of policy processes in stimulating expansionary capitalist economic processes at Auckland's urban and regional scales under currently prevailing neoliberalising and globalising conditions. Another issue concerns the nature of contemporary regulatory frameworks, and their material and discursive constitution. A further set of key issues are the ways governing is achieved 'at a distance' in Auckland's economic governance space, how and which state actors attempt to influence economic and regional processes

in order to link Auckland's businesses into the globalising economy, and more generally, how conditions for managing Auckland's economy are re-shaped by state processes and policies. A final set concerns the currently circulating policy discourses that guide thinking on urban and regional economic management and their materialisation. It can be asked what can be claimed about the relationship between local and non-local economic and governance processes in this regard, and the role of Auckland within them? And how are knowledges mobilised and generated about regional and policy processes, by whom, and in what ways? The next chapter will focus on the choice of methodologies to allow the exploration of such issues and questions.

CHAPTER FOUR

My Research Pathway - Methodologies, Positionality and the Interview-Process

Introduction

This chapter maps my personal research journey. It is designed to help the reader understanding *how* I arrived at my insights on questions of economic governance in the Auckland context. The chapter develops methodologies to explore the research questions set out in Chapters Two and Three. I make reference to my particular research positionality, discuss more in detail the process of interviewing actors involved in governance arrangements and economic activity, and include some reflections and lessons learned *in* the research process at the end of the chapter.

Positionality as a concept in social science research has received much attention over the last two decades (Haraway, 1988; McDowell, 1998). It points to the fact that all knowledge is situated and that the position of the researcher in the research process is of vital importance for his or her results. My positionality is multiple, as I have been involved in a range of research and work experiences that engaged - in varying forms - with regional governance processes. Moreover, my status as a German immigrant who arrived relatively recently to New Zealand, adds to the particularity of the views offered in this dissertation.

Knowledge about economic processes and their mediation through policy interventions on regional and urban scales can be considered a wide territory for methodological considerations. However, the choice of my research methodologies is determined by the problem under investigation. My thesis engages with issues of economic governance at a sub-national geographical scale under particular conditions of neoliberalism and globalisation. Such a topic area makes a complex methodological terrain for academic research.

Consulting the methodological literature to familiarise myself with potential ways of structuring my research, I found that this research topic could not be approached by one single method. Rose (1993) argues that one possible strategy for overcoming the

problems with a particular research method may be to use multiple methods. I decided therefore to carefully assemble multiple methodologies. For this research strategy to be successful, the research objectives must be clear. These are provided in form of particular literature- and context-specific questions that have been outlined in the previous chapters.

My investigation falls in the category of policy-relevant research (James *et al.*, 2004). The methodological approach to my thesis is thus inseparable from considerations about the knowledge space which lies between the domains of contemporary social science research into urban and regional problems, and the interpretations and understandings of 'their problems' by policy makers. There seems to be an emerging gulf in philosophical, ontological and epistemological matters, which increasingly sets these domains apart. On one hand, for more than a decade critical social science and geographical research investigating problems of urban and regional development have moved firmly into the realm of qualitative and case-study methods (Johnston and Plummer, 2005). On the other hand, much policy directed research, as well as other academic strands such as regional science and regional economics, continually apply quantitative research methods and econometric approaches to the exploration of regional processes. Lately, these differences have urged geographers to call for a 'policy-turn' in human geography and critical urban and regional studies (Massey 2000; 2001; Martin, 2001; Dorling and Shaw, 2002).

Current debates in the regional studies literature provide some guidance on research design. Markusen (1999) critiqued the current state of critical regional studies in key theoretical, methodological and political aspects. Danson (1999, 869) summarises her argument:

Much of this recent regional analysis has increasingly retreated into a mode of discourse in which concepts lack substantive clarity. Such fuzzy conceptualization makes it difficult for students and practitioners to operationalise and to subject this body of work to scrutiny by applying real world evidence...[w]ith methodologies underdeveloped, the case study or anecdote approach to analysis is often used to illustrate theoretical contentions, while the results of more comprehensive tests and instances which do not uphold the theory are frequently ignored.

Markusen also points to the implications for policy development. In her view, insulation of regional study work from policy pressures invites fuzzier concepts, which constrain the generation of policy and lead to misguided interventions.

In his counter critique, Peck (2003) voices his unease with certain aspects of Markusen's diagnosis, in particular her interpretation of the role of intensive case study work. Based on his research experiences, he instead stresses the importance of a

...further deepening of intensive, case-study approaches. This need not occur at the expense of quantitative research, because there is not a zero-sum competition in research methods. There should be continuing methodological pluralism, and intensive methods have a legitimate and important role to play (729)... The 'qualitative turn' taken by some in critical regional studies may only be just beginning, and there is a great deal of creative methodological work yet to do in deepening its explanatory penetration and social relevance. (736)

Reflecting on my research purposes, the intention to examine the workings of governance processes in a regional economic context based on the questions raised in previous chapters can best be achieved through identifying and investigating case-studies. Such an approach requires intensive methods and qualitative research strategies. Thus, the context-dependent assemblage of such methodologies can be seen as an application of Peck's ideas. At the same time, I am aware of Markusen's concerns and do not lose sight of critically examining the policy implications of my research findings. In this context, my interrogation will engage with the actualities of governance processes in an urban-regional space, while being sensitive to the possibilities of policy interventions.

My dissertation contributes to the growing body of work on urban and regional political-economic topics (see MacLeod, 2001; Raco, 2003). Overall, the critical insights my research will provide are derived from the contextual analysis of interpretations and understandings of individual actors involved in Auckland's economic management - and their particular intentions and ambitions to govern - and from knowledge about the conditions in which they act. Therefore, my thesis is not so much about antagonistic dimensions of crisis-prone capitalist development, but rather about highlighting mismatches. These include the gaps between actor's representations of regional governance processes - and their intentions to affect them - and the actual resources available to them to intervene. I will track particular governing arrangements

that promise to assemble such resources, and evaluate the effects of mediating institutional arrangements on economic and territorial processes. In addition, my work shows the limits of actors' knowledges and strategies, as well as their contradictions, hence highlighting the contestation of governance processes.

My dissertation focuses on the emerging governance arrangements for an Auckland whose actors and activities are increasingly bound into globalising economic circuits and networks. It places particular importance on the relational and institutional arenas that are re-worked through contemporary governance processes. This relational approach to understanding governance offers three methodological entry points. First, there needs to be an intellectual engagement with the time- and place-specific institutions in which such governing processes are played out. Second, it is necessary to unpack such institutional arrangements to move down to the level of the individual actors who are included, absent or which may speak or act in behalf of other actors. Third, there needs to be an emphasis on the contextual structures through which governing rationalities are shared, interests are aligned and resources to govern are assembled. All three analytical levels in combination constitute a potentially rewarding methodological frame for my research.

Besides highlighting the development of my research methodologies, this chapter also reveals my personal dissertation-related learning process. It confronts the issue of how I learn, in order to produce meaningful knowledges about regional governance processes. From which sites do I observe, access and understand these processes best? How do I balance thesis, work and other life commitments? This is about my personal research pathway, which will be quite different to other analysts' experiences. The remainder of this chapter covers the methodology assembling process, offers detailed insights into my positionality, provides key details about the interview process, offers a reflective view back at my research pathway, and finishes with some concluding remarks.

Designing and Assembling Situated Methodologies for Exploring Regional Governance Processes

Process-based Researching and Philosophical Considerations

My research is “process-based because the configuration of different methodological practices is driven by the research process itself rather than some preordained

philosophical position” (Yeung, 2003, 442). In this context, I need to be cautious about ‘big’ claims relating to truth. Rather, my research goal is to emphasise partiality and situatedness in the kind of knowledges I claim to produce. Process-based research in an urban and regional governance context cannot be a totalising account. It asks for a carefully constructed case-study approach, from which I can draw conclusions about both, the adequacy of claims actors make about their environment in particular contexts, and about how such contexts are constructed. In this regard, my research can be guided by Peck’s (2003) understanding of what critical regional study research encompasses. He contends that

...the appropriate role of concrete research in [critical regional study] ...is to investigate the working out of causal processes or tendencies in different settings, to trace the effects of contingent interactions, and to corroborate and triangulate findings in relation to extant (and emergent) theoretical positions. The validity of any attendant theoretical claims is therefore based not on the representativeness of the sample/case, nor from statistical inferences based on empirical regularities and patterns, but on issues of theoretical necessity and analytical plausibility. Case studies have an important role to play here. (731)

Under the post-structural influence on human geography, “many scholars would now accept that ontology is grounded in epistemology - that claims how we know the world underwrite claims about what the world is like - and that all epistemologies...are embedded in social practices” (Gregory, 2000a, 227). Therefore, the philosophical standpoint of my inquiry cannot lie outside my own research positionality and my world view. But the philosophical foundations of my research are also determined by the type of questions I would like to answer. One type of process-related questions, the ‘how’ questions, allows getting inside the contingent and contentious ways of how urban and regional governance is constructed. The other type, the ‘so what’ questions, critically explore the ability of actors to affect economic and territorial processes.

Both types of questions imply different methodological approaches, which are grounded in different philosophies. In the widest sense, process questions deal with the issue of how social reality comes into being. Such a framing of my research demands a turn towards post-structural approaches and network approaches in human geography, which connect the material and the discursive as well as structure and agency in new and insightful ways. For example, post-structural thinkers opened up to questions of

contingency and indeterminacy in what had been conceived as relatively closed (although not static) linguistic, economic and social systems. As Pratt (2000, 626) explains, “a post-structuralist conceptualisation both frames and regulates social reality, it literally brings reality into being”, and by doing so, “profoundly disrupts the distinction between representation and a pre-discursive reality”. From this perspective, relations between the material and the discursive are seen as fully imprecated, one in the other.

‘So what’ questions, however, need to be embedded in a philosophical approach that underwrites more abstract theorisations about societal and economic processes in space. They ask for the use of a critical realist perspective that allows making some judgements about the ‘adequacy’ and ‘effectiveness’ of particular governance arrangements in the context of wider structural processes. These claims can then be set against propositions made in international literatures, and against aspirations and interpretations of actors involved in governance arrangements. A critical realist view “is a philosophy of science based on the use of abstraction to identify the necessary causal powers and liabilities of specific structures which are realised under specific contingent conditions” (Gregory, 1994b, 449, in Lewis, 2000).

Using different philosophical approaches in the same research project requires much care, as they require different work to be undertaken. Moreover, every step of abstraction needs to be cautiously checked to avoid totalising and deterministic accounts. However, through the cautious combination of both philosophical frameworks and their methodological affiliates, theoretical and policy relevance is possible. In regards to the latter, instead of giving policy makers clear advice on the quality and appropriateness of interventions, my research will show the uncertainty associated with these processes, and the challenges they have to deal with. My findings should help policy makers reflecting on their work, questioning of the appropriation of particular policy discourses in their work, to be more sensitive to issues of actor inclusion and exclusion, and to be more creative in terms of assembling resources in policy processes.

Multi-methodological Approach and Qualitative Techniques

Given the complexity in our contemporary society and economy, no one single research method can capture the richness of the complex workings of interventions into urban

and regional economies. In this context, the ‘mixed methods’ approach has received renewed and explicit attention lately (Rocheleau, 1995). Smith (2000, 662) finds that research which “combines different qualitative methods looks poised to gain a new respectability within the human geographic community”. Using a multi-method strategy allows different sets of data to be collated and analysed, although Massey and Megan (1985, 169, in Stringer, 1999) urge the researcher to make them “genuinely complementary”. My research approach is thus a creative assemblage of custom-built methodological tools that are guided by both, my positionality and the sort of questions I would like to answer.

The methods I use will be of a qualitative kind in order to support the intensive exploration that case studies demand. These methods are concerned with how the world is viewed, experienced and constructed by social actors. Smith (2000) argues that they provide access to the motives, aspirations and power relationships that account for how places, people and events are made and represented. The aim of qualitative interviews is not “to collate typical responses to pre-defined questions from a random sample, but rather to record in complex detail the opinions and ideas of a relatively small number of individuals, who may have been selected systematically for the light they can cast on a particular area of sociological concern” (660). McCracken (1988, 17) states that “qualitative research normally looks for patterns of interrelationship between many categories rather than the sharply delineated relationship between a limited set of them. This difference can be characterised as the trade-off between the precision of quantitative methods and the complexity-capturing ability of qualitative ones”.

However, the qualitative research process also poses challenges. Baxter and Eyles (1997, 521) comment that

...there is an apparent tension between the creativity of the qualitative research process - which implies contingent methods to capture the richness of context-dependent sites and situations - and evaluation - which implies standardized procedures and modes of reporting (505)...[u]ntil recently, qualitative researchers have tended to focus more on what criteria should not be used to evaluate their work – the standards used to judge positivistic-quantitative work – and less on what they should be looking for to determine the rigour of qualitative research. [Qualitative] researchers need to be more explicit about the research process... [In this context] the criteria of credibility, transferability, dependability and confirmability for establishing rigour are useful general principles for guiding qualitative evaluation.

A key method for evaluating a qualitatively framed research process is triangulation. In the social sciences, this term is used to indicate that more than one method is used in a study with a view to double-, or triple checking results (cross-examination). The idea is that one can be more confident with a result if different methods lead to the same result. This is not an easy research method as methodological creativity must be anchored in scrutinising logic that is applied from multiple angles.

Designing and Assembling Research-specific Methodologies

In this section I show how I arrived at the knowledges I present in my dissertation, and the particular forms of presenting them. This requires me to talk about what methodologies I used, how I identified particular research entry points, how I created smaller custom-built investigative frameworks to progress my exploration, how the research methodologies were assembled in order to construct narratives, and finally, how I made decisions about presenting various aspects of my work to the reader.

Table 4-1 provides an overview of the methodologies that were assembled in this thesis, and highlights their individual value to interpreting key patterns of economic governance in Auckland. More specifically, it links the specific research objects such as policy and governing practices and the production of policy knowledges with the appropriate methodologies for their exploration. The latter comprises of five distinct strategies: interviews with actors, multiple analysis of policy documents, participatory research in and critical reflection on the author's own policy work, participation in policy-oriented background research for visiting 'academic celebrity' Professor Richard Florida, and finally the author's involvement in a 'innovative' geography learning/teaching experience, a policy knowledge production process on the university - local government interface. These very distinct methodologies each add value to the task of providing valuable insights into the workings of sub-national economic governance processes. In combination, they allow an integrated narrative to be developed on key dimensions of this particular moment in Auckland's political-economic history.

Table 4-1: Overview of Methodologies and their Value to the Dissertation (Source/Author)

<i>Research Object</i>	<i>Methodology/ Research Method</i>	<i>Value to Research Process</i>	<i>Value to Understanding Sub-national Economic Governance Processes</i>
Policy discourses Actor interpretations	Interviews	Shows how policy discourses are constructed by actors; bears new insights about the conditions actors act in	Offers insights into actor interpretations and intentions in regards to governing; produces knowledge of conditions actors act in; makes visible the constraints of context
Policy discourses	Contextual, textual and discourse analysis of policy documents	Reveals key discourses on economic and regional transformation (political projects) and their institutional expressions; shows which actors are involved and which are excluded; allows identification of key individuals involved	Offers insights into key themes which guide thinking on governance, shows absent themes; allows the identification of discursive governing networks; shows how discursive themes evolve, intersect and change
Policy and governing practices Production of policy knowledges Politics of intervention	Participatory research in policy projects and critical reflection on personal policy work experience	Allows ‘experiencing of’ and ‘observant participating’ in policy and governing practices; highlights performative aspects of governing; facilitates the identification of strategic moments, sites and people in regards to transformative action that allow entry points into research; allows networking opportunities to gain access to informants	Creates a ‘feel’ for how governance processes are played out in institutional and project contexts; alerts to strategic moments, sites and people that are central to changing governance and governmental processes in Auckland; highlights micro-politics involved in governing processes; shows how policy-relevant knowledges are created and enrolled
Production of policy knowledges Idea travel that informs policy discourses	Participating in background research for presentation of ‘visiting academic celebrity’ to local policy communities	Allows the experiencing of policy knowledge construction in research context; shows how policy practice involves performances	Highlights the political and politicised nature of research; shows how de-territorialised knowledges (‘travelling ideas’) are inserted into local policy discourse; adds to understanding of governing as a performed practice; makes visible the importance of benchmarking in contemporary policy-relevant knowledges
Production of policy knowledges Actor learning processes Cross-institutional spaces for policy learning	‘Innovative’ geography learning/ teaching experience	Allows insights into how situated knowledges on economic and regional governance are constructed in social learning contexts and cross-institutional settings	Adds to an understanding about how governance processes come to be understood by, and in turn are shaped by actors according to prior knowledge of actors (e.g. of literatures, of policy processes, of policy development, of policy trajectories, of organisations); problematises cross-institutional processes and spaces of knowledge production; highlights learning as social process (co-learning) and the situatedness and social construction of knowledge

After having posed literature-led (Chapter Two) and context-led (Chapter Three) questions, an important step in methodological design is the identification of appropriate research entry points for each methodology. In this context, a major issue concerns the question of which institutional and individual actors to interrogate more closely. Given my interest in the institutional dimensions of economic governance processes in sub-national spaces, the identification of key institutional governance arrangements such as AREDS was a plausible methodological starting point. As the term political economy means that the political and economic spheres are extricably linked (Peet and Thrift, 1989), any analysis of economic governance must acknowledge the organisations and individuals of both, the state and business in all their manifestations. Thus, the investigation was expanded to business initiatives such as 'Competitive Auckland' and to state actors such as NZTE. As a next step, key individuals working for, or being involved in such institutions and projects, were identified, and in-depth open-ended interviews would be conducted with them.

Simultaneously, a comprehensive review and analysis of policy documents associated with these institutions allowed a deeper understanding of the wider political-economic context these actors are part of. In particular, it was possible to link them to broader political projects. In addition, the analysis of policy text allowed tracing the changing discursive construction of the latter over time as well as moments of transformation and points of intersections between them. Moreover, policy documents such as reports or meeting minutes allowed detecting absent themes and actors. From a methods perspective, policy text served as the material from which particular patterns of governing such as discursive networks could be identified through the application of methods such as discourse analysis.

Three of the five methodologies used are closely associated with the positionality of the author. Participation in policy projects, policy-directed research and policy-relevant teaching allowed the researcher to gain highly useful insights into particular ways of how policy and governing practices are performed, policy knowledges are produced, intervention goals and means are contested and actor learning processes have taken place. After careful reflection, these 'experiences' and their multiple insights could be inserted in effective ways into the overall dissertation narrative. As an additional outcome, these spaces of engagement opened up possibilities for the author to get in contact with actors which often led to the chance to interview them.

After having entered the empirical research through the outlined five methodological channels, further research steps involve the use of custom-built investigative frameworks to check the findings in the context of a broad and complex field of inquiry. In post-structurally guided policy-relevant research, it helps to ask as the researcher: 'how do I know, what I need to know to argue this way' (Lewis, personal communication, 2005). Every small research step forward should be checked in either positivist fashion, through hypothesis, evidence production and verification/falsification, or through triangulation. The use of these cognitive models - often resembling step-by-step, manual-like processes - help to make sure one is on the right track, and thus, increase the robustness of the research findings.

The multiple research methodologies must be carefully assembled in order to offer the highest possible explanatory value. Different ways of getting to know regional governance processes will overlap and intersect, in the process create new synergies and disharmonies, and patterns that can be integrated into narratives and others which may lead to ruptures. Importantly, while each methodology must offer specific explanatory value to the research objectives, they must also be complementary. This is partly ensured by the choice of a qualitative research framework that is consistently applied across different methodologies. The complexity of the research - comprising, for example, the combination of investigations into material and discursive dimensions of governance, the match of actor interpretations through interviews and those revealed in institutional discourses, and the creative juxtaposition of policy text and personal observations within interventionist projects - asks for the researcher's constant care and critical reflection in the research process.

A final methodological aspect concerns the representation of the research findings. In this context it is useful to keep in mind that "[i]n research that depends on interviewing - whether of elites or other groups - the papers and books that result are in the end nothing more and nothing less than a story" (Mc Dowell, 1998, 2139). Questions that guided my thinking in this regard include: how do I best narrate my story? What forms of visual representation will I use? What type of figures, tables, diagrams are mostly appropriate for explaining the insights gained. And what work can each chapter, the way chapters are arranged and the sequence of them, contribute to a successful story-telling process? I answered these questions, and resolved these tensions, in particular

ways. How well I present my findings and how reader-friendly I write up my research may be as important as the research process and the quality of the findings themselves.

My Positionality

All research in human geography...depends on the positionality of the researcher and his or her informants. Somewhere you have to get in there, [but too often we let] the reader assume that the particular industry, location, site, and respondents were optimal. [However], a great deal depends on luck and chance, connections and networks, and the particular circumstances at the time. (Mc Dowell, 1998, 2135)

Positionality, or the researcher's position within his or her research, has effects on the way the world is interpreted. This notion can be linked to the idea of situatedness, which recognises that all knowledge is embodied and partial. As Barnes (2000, 742) states, "[s]ituated knowledges replace the traditional conception of scientific practice as the pursuit of a disembodied, inviolable and neutral objectivity with an alternative formulation that stresses embodied physicality, social construction, and cultural politics". Indeed, it can be said that the researcher's positionality and the situatedness of the produced knowledge are not just a peripheral aspect of the research process, it is indeed central to it.

The post-structural and feminist work in the social sciences in general, and in geography in particular, have emphasised the role of the researcher in and for the knowledge production process (McDowell, 1992, Schoenberger, 1992). Feminists in particular have argued that the positionality of the writer is a critical feature of his or her work with "subjectivities of both researcher and researched...strongly implicated in the constructions and representations produced" (Robinson, 1998, 465). Breuer and Roth (2003) point out that all knowledge depends on the position (point of view) of the epistemic subject not only in a spatial but also general and metaphoric sense, and that perception and therefore knowledge are always tied to some position.

My positionality is expressed in different ways in relation to my research. It concerns the type, background and experiences of the person who investigates, me - the author, as well as the particular ways the researcher has encountered and experienced actors, arrangements and processes of contemporary economic governance in Auckland that

informed methodologies and shaped research findings. The next sub-sections discuss these threads in more detail.

Me – the Author

The insights of my dissertation cannot be understood without explaining how my particular position in the research process framed the investigation of my research objects, and determined the construction of my narratives and accounts. Being a relatively newcomer to this country (I immigrated here in 1998 from Germany) means that I am less familiar with particular work attitudes, organisational cultures and institutional routines that exist in business, policy-making and academic environments, and therefore perhaps inclined to reflect more critically on them than others. However, research is never value-free and is shaped by the researcher's personal and professional experiences. My past encounter of a socialist governance system in the German Democratic Republic, as well as the experience of a negotiated capitalist political-economy model in unified Germany, have triggered interest and curiosity in questions of economic governance in New Zealand. Interestingly in this context, the language barrier I have been faced with has possibly been less a disadvantage than an advantage, because the ambiguity of meaning that surrounds certain terms and phrases through translation proved rather stimulating in terms of creative and analytical thinking.

In contrast to my work experience as an engineer in Germany, my local professional pathway led me through a range of customer service and sales jobs. More recently I accumulated five years of experience in policy positions as well as in academic teaching roles. In this context, I gained valuable insights into policy and governance processes from differing perspectives. While policy work introduced me to many 'real-world' governance issues, lecturing and tutoring in academic geography added a more critical edge to my understandings on these issues. Being quite new to the study of social science questions, understanding governance processes has been a testing and at times difficult task, but more often than not a mentally rewarding challenge that drew on my intellectual curiosity, energetic personality and freshness of perception. The insights gained in these institutional and work settings added considerable value to the understanding of the issues my research confronts. So did the opportunities to access particular governance networks and sites, and to interview a wide range of individuals from central and local government as well as business and academic backgrounds.

Finally, my particular positionality can be interpreted as a combination of different subject positions I have been taken on in relation to my research topic. They include the academic researcher and teacher, policy consultant, advisor on and facilitator for regional policy processes, member of the migrant community, a fee-paying student, a ratepayer to the local councils as well as a voter in New Zealand elections on national, regional and local levels. In sum, this multiplicity of both experiences of and my positioning towards regional policy and governance processes has to some degree shaped the ways in which the thesis narratives are written.

Policy Work Experience

My positionality has been strongly affected by my work commitments in Auckland's local government (see Table 4.2 for an overview of policy related work experiences). I have worked as a researcher for the ACC, as policy analyst in various positions at the ARC, and in the governance work stream under AREDS. In regards to my research, policy work enabled me to become part of policy processes in a variety of projects and roles, which in turn gave me a deeper level of insight into how such processes are constructed, expertise mobilised and practices performed. Through these experiences, a range of avenues for extracting particular information on policy knowledge production, policy development, implementation and evaluation were open to me. They included the privileged access to project correspondence and work documents, my diary notes and my own memories. Working in local government lubricated the access to further data in form of interview informants and additional policy text.

Policy work experiences have been very valuable to me. Most importantly, they have given me a deeper awareness of knowledge production processes in local government. They also helped me to become familiar with the politics and the political nature of policy making. I realised that public sector knowledge production is based on, and influenced by, multiple sources such as visiting overseas academics, the contracting of consultants and in-house research (the results of the latter often disseminated through databases and workshops). I also came to better understand the strong influence of private sector work practices in New Zealand's public sector in the form of project management techniques, communication and media strategies and particular human resource practices. The latter included the application of fashionable ideas around staff motivation such as 'emotional intelligence' and 'inspirational leadership'.

Table 4-2: Involvement of Author in Policy Making Processes and Policy Knowledge Production (Source/ Author)

<i>Institution</i>	<i>Project Number</i>	<i>Time period</i>	<i>Project Focus</i>	<i>Regional Policy/ Intervention Areas</i>	<i>Main Role in Project</i>	<i>Key Work Practice</i>	<i>Interview Contacts</i>
Auckland City Council	1	July 2001, over 3 weeks	International Urban Transport Governance	Land-Use; Infrastructure/Transport	Researcher	Desktop/Stock-take Research; Global Benchmarking	1 (Interview 44)
Auckland Regional Council (Socio-Economic Group)	2	November 2001 – March 2002	Business and Employment project for Regional Growth Strategy/ the Regional Land Transport Strategy		Researcher	Desktop/Stock-take Research; Presentation	2 (Interviews 15, 35, 36)
	3	November 2003-June 2004	Global Urban Transport Benchmarking	Infrastructure/Transport	Researcher	Desktop/Stock take Research; Global Benchmarking	
	4	October-December 2002	Business and Economy Publication	Economic Development	Co-ordinator	Project Management/ Co-ordination; Database Development	1 (Interview 14)
	5	2003, over 5 months	Community Research and Monitoring Database development	Land-Use; Infrastructure/Transport; Economic Development; Social Development; Environmental Planning	Researcher	Qualitative Research; Database Development	
	6	2003, over 3 months	Strategic Indicator Work	Economic Development; Social Development	Researcher	Strategic Indicator Development	
AREDS	7	March 2002 – June 2002	Strategy Governance and Implementation work stream	Economic Development	Researcher/ Facilitator	Desktop/Stock take Research; Facilitation	1 (Interview 21)
	8	January 2003 – June 2004 with interruptions	AREDS/ Tertiary Education Commission Steering Group Work	Economic Development; Education	Facilitator	Facilitation	1 (Interview 54)
Knowledge Wave Trust	9	October 2002-February 2003	Local research for public seminar ‘Creative City’, assistance to US - academic	Education	Researcher	Desktop/Stock take Research; Global Benchmarking; Strategic Indicator Development	4 (Interviews 8, 45/49, 48, 51)
University of Auckland, School of Geography and Env. Science	10	March 2003-June 2003/ November 2003	Geography Masters course on regional development with Policy Professionals’ participation; Presentation to educator audience	Education	Co-ordinator	Facilitation; Presentation; Promotion	3 (Interviews 46, 52, 53)

It was particularly interesting to experience a strong ‘project mentality’ in my work. Finally, I became aware of the politicised nature of local government organisations. For example, there are certain cultures that dominate (such as a subtle favouring of female managers and expertise under the previous CEO of the ARC), and the locus of control may reside in key managerial positions rather than with elected decision-makers. Overall, in regards to policy-making practices my work experiences allowed me to a modest degree to fulfil what Thrift (1996) called for in his non-representational theory - witnesses that must become an ‘observant participant rather than a participant observer’.

Visiting ‘Academic Celebrity’ Research Experience

Another key experience that influenced my perceptions and interpretations of both regional policy processes and policy-directed research (Johnston and Plummer, 2005) has been the work I did as part of what might be called a ‘visiting academic celebrity’ research experience. It refers to a three month desk-top research process that I undertook under assistance of my primary PhD-supervisor in support of visiting Geography Professor Richard Florida. The latter had been invited as key note speaker to the second ‘Knowledge Wave’ conference in February 2003. The work resulted in a presentation on ‘Auckland as a creative city’ (Le Heron and Wetzstein, 2003b), a seminar jointly hosted by the Auckland University and the ACC in 2003.

This research project has been critically analysed by Wetzstein (2003) and Wetzstein and Le Heron (2003). The latter authors offer interesting insights into the events, politics and research processes involved. In the context of this dissertation, the project’s correspondence, the series of research documents, and in particular the reflections and memories on the particular knowledge production processes offer valuable sources of information to enrich my understanding on regional economic governance. Furthermore, having been part of this initiative has allowed me to access further data and opened doors to interview key people involved in the ‘Knowledge Wave’ project.

What value has this experience brought to this dissertation? Most importantly, the ‘Florida’ research project highlighted the contested and politicised nature of policy-directed research and policy knowledge production. It showed that research - far from being neutral - involved dealing with and resolving of critical issues that arose out of the course of the project. As Wetzstein and Le Heron (2003, 4) explain, “in large part, those

issues grew out of tensions between the political aspirations of actors, uncertain and changing project expectations and both, our own cognitive limitations as well as our distinct professional methods which we drew on”. Moreover, this project experience illustrated the importance of quantitative knowledge and benchmarking in contemporary knowledge production about urban and regional processes (Florida extensively uses ranking tables and indicators for his work) and the particular role of context (here Auckland’s and New Zealand’s economic, socio-economic, institutional and policy environment in contrast to the USA) in producing and interpreting policy relevant knowledges. From a regional knowledge production perspective, it also brought to the fore the vast distance between the institutional spheres of local government and universities, as well as the challenges and possibilities of a research project linking both.

Being part of this project helped me to get deeper insights into the making of globalisation. In their self-reflective paper, Wetzstein and Le Heron (2003) interpret their own research experience in light of wider globalising knowledge production processes. With particular reference to ‘creativity’ as the guiding theme of the Florida visit, they understand their research project to be about

... how a local research process which dealt with [the creativity] concept has been understood by the researchers themselves. In our case, creativity as an intellectual construct which had recently found entry in the latest regional economic development literature through the work of American Richard Florida, is now imported to and directly promoted in New Zealand through the event of a local seminar on ‘The Creative City’. The research process described above formed an integral part of the ‘assistance’ infrastructure for Florida and by doing so, became a medium through which his ideas were contextualised, interpreted, interrogated, contested and transformed. By talking about our very own research experience, by being specific, we are able to situate a globalising process of ‘idea flow’ and track its transformation and translation into local meaning and interpretation.
(4)

This large degree of influence of globally circulating and embodied ‘celebrity’ knowledge on local policy discourses and initiatives has recently been critiqued by Gibson and Klocker (2004). They critically reflect on the traffic of books and authors that co-constitute the ‘creative industry’ discourse beyond their Anglo-American core. More specifically, they question the means by which northern hemisphere borne economic knowledges become normative, framed as universal and distributed and absorbed via an academic ‘celebrity’ circuit.

'Innovative' Regional Geography Teaching/ Learning Experience

One aspect of my positionality draws on a particular interesting encounter with knowledge production processes in conjunction with policy personnel. Between March and June 2003, I had the opportunity to take part in an innovative Geography learning/teaching experience at the School of Geography and Environmental Science at the University of Auckland. Influenced by the previous experience of researching for a visiting academic, the annual graduate masters level course 'Regions, Networking and Governance' had been re-worked to focus on the topic of 'Knowledge, Innovation and Regional Economic Policy Challenges'. The particular contacts I had made in my policy work allowed me to convince eight policy professionals from local government to participate alongside university masters students. The idea for this teaching experiment can be summed up as a response to "...calls for connections between academy and policy, more awareness of learning styles [and] need for exposure to knowledges at sites beyond the university" (Le Heron and Wetzstein, 2003a, Slide 5). The format consisted of two-hourly sessions over ten weeks on particular regional policy topics such as 'learning regions' or 'regional innovation systems', with lecturing, group work and audience presentations mixed in custom-built fashion.

From a dissertation perspective, the project correspondence, teaching documents, feedback questionnaire, my diary entries, the course group work material and my memories offer insights in particular knowledge production processes. These, in turn, have effects for how economic, territorial and governance processes are individually understood. This research strategy can be seen as a "method of engagement and encounter that includes passive observation and personal reflection on a series of events or a social situation" (Smith, 2000, 661). For me, the most important outcome of this unique process was a deeper appreciation of the wide interpretive space between policy and the academy in the nature of knowledge production. Assumptions and interpretations between policy professionals, academics and tertiary students differ considerably. Furthermore, it highlighted for me that the spaces in the knowledge production territory between public sector, academy and private sector are largely unexplored and unproblematised. I also came to value the importance and relevance of 'learned in action-frameworks' (Thrift, 2000; Le Heron, 2005b), co-learning experiences between teacher and student (Le Heron *et al.*, 2006) and the general experimental mode of learning. Hence, the course exemplified the situatedness and the

social construction of knowledge, as well as the significance of context for the constitution of embodied knowledges. Besides valuable intellectual insights, the coordination of this course gave me easier access to interview informants.

Table 4-3 provides an overview of the course participants and states their key areas of expertise. It shows the wide spread of embodied policy knowledges, ranging from investment and strategy to planning in the community area. All of Auckland’s key state organisations are represented, with the ARC being the one with the highest share. This was not surprising given my personal links with them through my ARC-based work. Interestingly, the participant distribution pattern broadly resembles my local state related interview informant distribution.

Table 4-3: Distribution of Regional Geography Masters Course Participants by Local State Organisations and Key Area of Expertise

<i>Participant</i>	<i>Organisation</i>	<i>Participants per Organisation</i>	<i>Distribution in Percent</i>	<i>Key Area of Expertise</i>	<i>Informant (Interview number)</i>
1	ARC	3	37.5	Economic Development	
2				Strategic Development, Quantitative Research	
3				Transport Planning	
4	ACC	2	25.0	Planning, Investment	46
5				Economic Development	
6	MCC	1	12.5	Strategic Planning	
7	WCC	1	12.5	Community, Planning	53
8	Enterprise North Shore	1	12.5	Economic Development	52
<i>Total</i>	<i>n/a</i>	8	100	<i>n/a</i>	<i>n/a</i>

Source: Author

Ethnographic Research in Action: My Interview-Process

Planning, Conducting and Analysing Interviews

Ethnography, or ethnographic research, can be used as a synonym for a wide range of qualitative research methods, spanning from focus groups to in-depth interviewing. It aims for depth rather than coverage, which distinguishes it from quantitative methods of social research (Johnston *et al.*, 2000). Qualitative methods are often criticised for their lack of representativity, although this may be based on a misunderstanding about the reliance of such methods on logical, rather than on statistical inference (Mitchell, 1983). The key value of this method to this dissertation lies in the generation of insights into how discourses are constructed as it sheds light on the perceptions and intentions of

actors in particular contexts. Ethnography is used in the form of the non-standardised, semi-structured, in-depth interviews held with actors engaged in Auckland's governance and economic processes. The semi-informal mode means that while the conversation is geared to set the respondent at ease, the researcher uses a mental or written checklist to provide broad directions (Lindsay, 1997).

According to Schoenberger (1991), the non-standardised interview contains a "predominance of open-ended questions" (180). While in the standardised survey emphasis is given to 'reliability' - the probability that repetition of the same procedures will produce the same results - in an open-ended interview context the weight is on 'validity' - the accuracy of the given information. The latter "allows a more comprehensive and detailed elucidation of complex interplays in socio-economic contexts. While open questions are typical in this context, ...in a fluent interview there may be very little need for questions at all" (Oppenheim, 1992, 72-73, in Lindsay, 1997). I prepared a set of guiding questions that I used across all interviews. These questions were open-ended, which gave ample space for a respondent to provide as much of his or her insights as possible. The choice of sample followed a 'purposive' sampling approach (Layder, 1998, in Henry and Pinch, 2000). The aim was to use qualitative methods to cross-check answers in depth and undertake a 'triangulation' of findings. The interviews were continued until a certain 'saturation' mark was achieved, which means that the main patterns became established and further interviews were felt unnecessary (see Cresswell, 1994).

I conducted the interviews with people in professional positions: politicians, managers of various kinds, policy experts, business people and academics. For this kind of interview I often had to deal with aspects of a 'corporate' interview process. Schoenberger (1991) remarks that this interview type is susceptible to problems of control since there is a likelihood that respondents are accustomed to being in control and exerting authority over others. In my case, there were few cases where I felt that power was exerted on me. However, one particular issue I encountered on occasion was the problem of trust. It is important to have or build trust during the conversation with the respondent as it lubricates the flow of desired information. In one particular example, I had to work hard to overcome a latent anti-intellectualism, using relational and communicative skills.

Another issue concerns the kind of settings my interviews were carried out in. This has implications for both, the verbal communication flow and the recording of data. I conducted interviews in respondents' offices, neutral places such as café's as well as interviewee's home offices. I decided to take notes rather than to tape. This approach proved successful as I became skilful in simultaneous note-taking and listening. Problems occurred when interviews were carried out while eating (interviews 7 and 18). In general, telephone interviews I found more difficult than face-to-face ones. It is harder to develop trust and to communicate effectively.

The usual interview time was between 45 minutes to one hour, sometimes longer. I would take extensive notes, which I reviewed and edited directly after the interview whenever possible. This produced a text that was intelligible for later interpretive purposes. This is a process which is in line with McDowell (1998) who suggests taking summary notes right after the interview. After I had finished the interview process, I grouped the answers into broad categories according to topic areas, and created corresponding computer files. This process produced a first rough patterning of data strands. Later, I had to re-read the interviews a couple of times to discover new connections and gaps in my data, and to re-approach them with a deeper level of understanding.

Data analysis in the interview context had been strategic in nature, but experimental in style. Given the relatively large number of informants, the complexity inherent in their responses as well as the relative methodological openness I approached my data sets with (I would call it so because my methodological approach - although guided by my understandings of a range of literatures - could be considered less rigid than methods used in, for example, neo-classical economics), insights would occur gradually, and in sometimes unexpected, often unplanned, ways. A key step was the gradual 'upgrading' of the informational resources I had gained through categorisation of the interview notes. This process involved a structuring of the responses according to different narrating threads, and the re-representation in table and diagram forms. The analysis also incorporated the re-reading and re-interpreting of the informant quotes in alignment with my growing, and thus constantly changing, understanding of my research topic.

The interview process required careful planning in project management style. Interviews were conducted in three distinct stages. First, there was a set of 6 face-to face interviews in mid-2003 which helped me to get some guidance on where to look for in my overall research development. The next stage consisted of 7 interviews that were partly conducted over the phone. This set of interviews served the purpose of generating actor interpretations on regional and governance processes for an overseas conference presentation. The bulk of 44 interviews were carried out in November and December 2004 in two locations, Auckland and Wellington.

McDowell (1998) points to the importance of accessing the right people, in the right institutions, to get the right data. The majority of informants, 24 out of 57, or 42 percent, were identified through background research on the key governing institutions, for example by visiting websites and reading the minutes of policy meetings. The next largest group of informants came directly out of my policy work experience, which accounted for 14 informants, or 25 percent. A third group was made up of referrals from previous interviewees (12 informants, or 21 percent). Interestingly, roughly one third of all informants I got to know through personal participation in policy related research, teaching or work.

Unforeseen circumstances challenged the interview process on occasion. For example, some people I invited to interviews refused to attend, for reasons like political sensitivity and competing commitments. Sometimes these people referred me to someone else. Another change of events was triggered when a particular respondent became unavailable at the last minute, and I had to adjust the interview plan for an unexpected respondent who stepped in instead.

The interview process also encompassed another stage of quote confirmation by the informants. Conducted around 18-36 months after the actual interview had taken place, this step in the research process is necessary to get confirmed that the way I quoted the interview participants in my dissertation, or made broad reference to their comments, was correct at the time. Informants were sent a list of their thesis statements, and given two weeks to confirm or suggest changes via email and phone. While many informants replied, not all could be traced. Some interview respondents had changed their email addresses, worked in new jobs, were on parental leave, or didn't reply for unknown reasons.

The way the informants responded to their original quotes was interesting. While some confirmed them without any change, others altered the wording of their quotes. Often, clear-cut messages were softened and elaborated on. Sometimes, additional information was provided. In a few cases, there were ‘misunderstandings’ between what they had said and what I took down on paper. These developments in my research highlight two aspects for me in regards to the interview process. First, interviewing members of the elite in New Zealand’s society requires recognition that these people are part of a small political world, in which people know each other, or know of each other. Thus, some quotes are re-phrased for strategic political considerations taking into accounts issues of informants’ (re)positioning within a small leadership community. It confirms Schoenberger’s (1997, 206) claim that in a corporate interview context there is the issue that the researcher has “to interpret the interpretations of participants who have their own stakes in how their story is told”. Second, in approximately two years between the interview and the questions for confirmation, learning in regards to the quote content has taken place among both, informant and researcher. These changing perspectives influence the way the original quote is now re-interpreted by the informants, and how it is used within a particular textual context or as part of a specific thesis argument by the researcher.

Details about my Interview Informants and Sampling

Appendix Three gives an overview of relevant information relating to the interviews conducted. For confidentiality reasons the names are not included, reference to the interviewees is made through naming them as informant, followed by the interview number. The interview details comprise of date, interview type, institutional field of informant, organisation or project affiliation and the position held. Table 4-4 provides an overview of the institutional fields and organisations of informants. The highest share of interview respondents were from local public sector institutions, consisting of elected people, local government officers and business people in public trading and economic development areas.

The second highest share of respondents is constituted by local business people, followed by university and central government policy personnel. These distributions also alert to non-represented interests, to absent voices that are left out the interview process. There is a clear gap of informants from Maori, Pacific Island and migrant

Table 4-4: Organisational and Institutional Affiliation of Interview Informants

<i>Institutional Field of Informants</i>	<i>Number of Interviews</i>	<i>Distribution in Percent</i>	<i>Organisation/ Project Affiliation of Informants</i>	<i>Number of Interviews</i>	<i>Distribution in Percent</i>
Central Government Ministry	2	4	Ministry of Economic Development (MED)	1	1.7
			Ministry of Research, Science and Technology	1	1.7
Central Government Agency	7	12	New Zealand Trade and Enterprise	6	10.5
			Transit New Zealand	1	1.7
Local Government	21	36	Auckland Regional Council	8	14.0
			Auckland City Council	5	8.8
			Manukau City Council ⁸	3	5.3
			Waitakere City Council	1	1.7
			Wellington City Council ¹	2	3.5
			Local Government New Zealand	1	1.7
			Self-employed	1	1.7
Business/ Private Sector; Community Sector	11	18	Competitive Auckland/ Committee for Auckland	8	14.0
			Auckland International Airport	1	1.7
			Ports of Auckland	1	1.7
			New Zealand Institute	1	1.7
Business/ Local Government sector	8	14	Positively Wellington Business	1	1.7
			Economic Development Association of New Zealand	1	1.7
			Auckland Regional Economic Development Association	1	1.7
			Enterprise North Shore	1	1.7
			Infrastructure Auckland	1	1.7
			Tourism Auckland	1	1.7
			Auckland Regional Economic Development Strategy (AREDS)	2	3.5
Business/ Tertiary Sector	5	9	Knowledge Wave Trust	5	8.8
University	3	5	Auckland University of Technology (AUT)	1	1.7
			University of Auckland	1	1.7
			Lincoln University	1	1.7
<i>Total</i>	<i>57⁹</i>	<i>100</i>	<i>n/a</i>	<i>57</i>	<i>100</i>

Source: Author

backgrounds, from community organisations, the wider public, the media, unions and labour organisations, traditional business representation institutions and research and development organisations - to name just the more obvious groups. This analysis

⁸ For this summary, the mayor is considered part of the council.

⁹ 3 Interviews were conducted with 2 informants simultaneously, while 3 were repeat interviews, which makes it 57 informants in total.

demonstrates the particularity of my account on contemporary economic governance in Auckland, which means that the knowledges produced are based on accessing specific actors-networks and particular institutions at a particular point in time.

Table 4-4 also shows the most widely represented institutional projects. The majority of initiatives, projects, organisations and institutions are of local origination, or consist of mainly locally based actors. 'Competitive Auckland' and 'Committee for Auckland' as well as the Auckland Regional Council are most widely represented. Regarding the distribution of interview informants within the larger Auckland councils, members from the three organisations of the ARC, ACC and MCC dominate.

Table 4-5 shows details about informants that belong to the institutional sphere of the state. It illustrates the distribution of informants from the state sector by their corporate and professional position and tier of government. Noteworthy is the relatively even spread between top management, middle management and professional positions. This means that both, executive and technical perspectives are present in the interview. However, there is a relatively small representation of elected decision-makers, who are mostly local politicians. In terms of geographical scale, the table highlights the almost equal distribution between local and regional scales. It furthermore points to the domination of the local/regional scale versus the national scale. This fact points to the Auckland-centred nature of the inquiry, which partly resulted from the location of the researcher in Auckland and the costs involved in travelling to Wellington for a longer period of time to interview central state actors. But it partly also arose from the unavailability or reluctance of central government politicians to be involved in this investigation, as interview requests were repeatedly rejected.

Table 4-5 also demonstrates that managerial positions dominate over professional ones. This, by accident, may reflect a contextual dimension of the occupational world in New Zealand. Here, the proliferation of 'manager' titles differs markedly from a high share of technical occupations that can be found in Germany. Informant gaps include Ministers of the Crown, commissioners, community board members, business membership organisation leaders, junior officers, lawyers, accountants, financial officers, public relations experts and marketing experts. These absences, again, highlight the particularity of this research project.

Table 4-5: Distribution of Informants from State Sector by Corporate and Professional Position and Tier of Government

<i>Tier of Government</i>	<i>Elected Leaders (Mayor/Councillor)</i>	<i>Top Executives (Chief Executive Officer)</i>	<i>Middle Management (Managers)</i>	<i>Professionals (e.g. Policy Analyst/ Advisor/ Senior Officer/ Project Manager)</i>	<i>Total</i>	<i>Distribution in Percent</i>
National	0	3	3	2	8	20
Regional	1	6 (1)	6 (1)	3	17	42.5
Local	3 (1)	5 (1)	4	4	15	37.5
Total	4	14	13	9	40	100
Distribution in Percent	10.0	35.0	32.5	22.5	100	n/a

Source: Author

Note: Wellington-based informants in brackets

It is interesting to weigh the expertise in particular business activities that is embodied among interview respondents. There is a concentration of knowledge from investment in, and regulation of, local land and property developments (7 informants) and infrastructure provision (6 informants). Another area of business expertise that is well represented falls in the area of higher education, knowledge and research (5 informants) and business services (2 informants). Exporters are largely underrepresented, except in the knowledge producer sphere. Only one respondent is a member of a multinational corporation. Most respondents work in large organisations rather than small ones as measured by number of employees.

It is of relevance for the interpretation of interview quotes whether, and for how long, informants have lived and worked in Auckland. Such information is difficult to compile. Some respondents have lived in this region for a long time (Informant 7, Informant 21), while others have moved here just recently (Informant 2 in 1997). On occasion, reference to this characteristic is made throughout the thesis in direct connection with informant quotes. Finally, an analysis of the gender distribution among the respondents reveals that men are in the majority at an approximate ratio of 3 to 1. Given the nature of politics, policy and business in New Zealand as traditionally male-dominated domains, the gender split is neither surprising nor skewed.

Re-interpreting Policy Text

An often used method for generating knowledge about societal processes is the analysis of discourses through the re-interpretation of text. Written statements need to be re-

interpreted because what can be read are representations, rather than realities. As a cultural product, discourses reveal meaningful details about how knowledges are constructed, how understandings of the world are formed, and power is distributed. Discourses are embedded in day-to-day life where they help promote particular views of the world. But this knowledge tends to be associated with particular constructions of power which, ultimately, are contestable (Robinson, 1998, 472). Therefore, analysing policy text promises a better understanding about power relationships in governance arrangements.

In order to analyse discourses that are relevant to regional and governance processes, I had to firstly generate them. Many policy documents such as strategic and promotional material from central government are available on the websites of the organisations which commissioned or produced them, such as ministries and agencies. Thus, I could take advantage of what has been called the “far more ‘documented’ state” (Lewis and Prince, 2004, 4). Access to electronic documents is particularly useful as it enables the use of some computer-mediated textual research methods such as word searches and counts. On local government level however, this practice of making knowledge available electronically is not (yet) so widespread. Apart from accessing research-relevant text over the internet, I was able to access particular university databases such as newz-text, a University of Auckland database compiling information from the news-media. Further research-relevant documents such as internal reports and minutes of meetings I could access through the contacts I had made in my policy work. Often I received handout material from interview respondents.

The methods most useful in making sense of discourses in my particular research context promised to be network analysis and discourse analysis. Both are intensive rather than extensive in their nature, and involve interpretation as the main analytical activity. They allowed me to move deeper into the meaning of texts by detecting network and other aspects that reveal particular dimensions about economic and governance processes. In social science literatures, networks are used metaphorically and analytically. In regards to the latter, network analysis serves to explore particular dimensions of networks. It can measure either interactional attributes of the linkages within networks or the overall morphological attributes of the network. One subfield has been social network analysis (SNA), which according to Hannerz (1980) probably constitutes the most extensive and widely applicable framework for the study of social

relations. However, SNA proved not to be suitable for my research purposes as networks played a lesser role to my argument than anticipated.

Discourse analysis, in the widest sense, is study of talk and texts that reveal discursive aspects. Discourse can be understood as specific series of representations, practices and performances through which meanings are produced, connected into networks and legitimised. Taken together, they enable us to understand how what is said fits into a network, one that has its own history and conditions of existence (Barrett, 1992). Gregory (2000b, 180) describes discourses as heterogeneous as they “travel through different domains and registers, are regulated, have coherence and systematicity and are marked through their own regimes of truth...[discourses] are performative as they have variable meaning, form and effect; they constitute the objects they speak of and enter into the variable constitution of the social”. Given the growing sensitivity to the discursive dimensions of governing in recently emerging strands of literatures (see McGuirk, 2004), the analysis of these meaning-making social constructions must be an important aspect in social and political-economic research.

Originally, discourse analysis had been the analysis of speech, conversation and dialogue. It includes the linguistic analysis and the inter-discursive analysis of text as well as the social analysis of interaction. Relating more specifically to the analysis of texts, the literature highlights particular methodological roads. For example, the linguistic analysis of text looks for a ‘whole-of-text’ understanding about its nature, thereby distinguishing between narrative, promotional or dialogical types. In terms of clauses, it can be separated between voice (active, passive), mood (imperative) and verbs relating to action (being, having). Words can be analysed in terms of vocabulary or metaphors.

A special issue of the ‘Urban Studies’ journal was dedicated to the link between urban issues and the role of language, text and discourse (see for example Healey, 1999; Paddison, 1999, and Stenson and Watt, 1999). What binds these authors together is a “recognition that policy decisions constitute a setting where different groups compete to establish a particular version of ‘reality’ in order to pursue their objectives” (Jacobs, 1999, 203). The methodological assumption is that “these conflicts are revealed in texts and speech as well as in the actions of individuals, interest-groups and government agencies” (ibid). Wetherell *et al.* (2001, 9) states that the “the language user is not a

detached communicator, sending out and receiving information, but is always located, immersed in this medium and struggling to take her or his own social and cultural positing into account...and of course the discourse analyst is not outside these struggles and constraints but is one such user within them”.

From the analytical tools of discourse analysis available to me, two were particularly important: critical discourse analysis (CDA) and Foucaultian analysis. CDA deals with uncovering aspects about social processes and practices through the analysis of the written or the spoken word. Fairclough (1992; 1995; 2001), a key proponent of this approach, offers a ‘manual-like’ process to apply CDA to analyse discourses. First, the researcher has to identify a social problem as well as the obstacles to the social problem being tackled. Then a step by step process can be applied: first the analysis of the network of practices the problem is located within, second the analysis of the relationship of the discourse to other elements within the particular practice, third a structural analysis of discourse (which tries to specify the semiotic/discursive resources available to people, the ‘social structuring of discursive diversity’), and finally an interactional analysis of the discourse (how discursive resources interact, the active discursive work people are doing).

Foucaultian style discourse analysis (see Foucault, 1979; 1980) on policy text means to “look for patterns within much larger contexts, such as those referred to as ‘society’ or ‘culture’” (Wetherell *et al.*, 2001, 7) and “draws attention to the all-enveloping nature of discourse as a fluid, shifting medium in which meaning is created and contested” (9). In this context, power is not reducible to agency, but instead is seen as part of a network of relations (Jacobs, 1999). Wetherell *et al.* (2001) provide a blueprint for applying Foucaultian analysis-step by step. The first step is the identification of a social problem, followed by the identification of key themes, categories, representations and objects (problem/solution framing). A third step requires to look at particular contexts and to get a feel for data. The closer interrogation includes looking for interrelationships between discourses, exploring discursive strategies and techniques, detecting absences and silences, identifying resistances and counter-discourses and exploring the context. Finally, research limitations such as positionality, partial knowledge and subjectivity need to be stated. In this context, it is acknowledged in the literature that it is hard for the researcher to step outside his or her data, as discourses are often taken for granted.

In conclusion, analyses of particular discourses allow a challenging of meta-narratives and grand theories, as they stress the particular, local and the specific. In this regard, they highlight differences between places rather than their similarities. They therefore promise additional insights into the unique workings and representations of economic and governance processes in the New Zealand and Auckland contexts.

My Research Pathway Revisited

My research pathway could be called ‘strategic experimentation’, as it involves a constant re-assembling of knowledge-producing resources guided by the specific research objectives and the progressing learning process. It includes processes of identifying appropriate resources such as texts already written or read, earlier prepared tables and diagrams, and assembling them in a way that promises thesis progress. Key for such a work approach was the need ‘to learn how to learn’. This in turn demanded the development of a high degree of reflexivity. It confirms Giddens’ (1991) view that contemporary social life - and social science research as a particular social practice - is becoming more reflexive. This trend can be understood as an increasing tendency of people to shape and reshape the ways in which they live their lives on the basis of knowledge and information about their social practices.

My research pathway was a combination of both, strategic planning exercises and a flexible, open approach to deal with unexpected turns and surprising insights. Seen in hindsight, the sequencing of my thesis knowledge production process was not linear. Rather, it consisted of linking disparate stages of heterogeneous research experiences during and after they had taken place. This process has been largely shaped by my particular positionality, as my distinct positioning towards policy processes determined what kind of knowledges I could generate. These knowledges about regional processes and their governance are situated, always partial and context-specific.

My methodological approach was one of assembling multiple research-specific methodologies. These were driven by the particular research questions I had posed, and my unique positionality. Each such methodology comprised of a set of established methods such as interviewing and re-interpreting policy text in order to generate useful data. These were interpreted in steps, cross-checked against other findings and further developed by logic and constant use of judgement. This process included constant re-

categorisation of data and experimental approaches as to how to interpret them. My data analysis also incorporated more formal methods of analysis, such as initially network analysis, critical discourse analysis and textual analysis. These processes produced sets of empirical information that could be assembled into particular threads of knowledge. I then had to deal with questions of how to narrate the latter in my dissertation, and how to present the analytical dimensions most effectively. Overall, such an approach meant dealing with a multitude of uncertainties on an ongoing level, which at times could lead to some negative motivational and psychological effects. Here, the difficult ‘middle part’ of the thesis in between the interview process and the write-up stage was particularly challenging.

When I look back, one of the interesting aspects of my dissertation pathway has been the balancing between thesis-related work and other work commitments¹⁰. These included other academic work such as tutoring and lecturing as well as writing academic papers and book chapters. They also consisted of, for at least half of my research pathway, work in various policy settings. All this work added to my understanding of governance processes to differing degrees. I found the interaction of thinking about regional development policy from an inside, applied view and the more external, removed academic perspective, both challenging and frustrating. Work on one issue area approached from two paradigmatic foundations triggered mental stimulation and creative thinking processes. But it also led to problems because it meant ‘switching’ perspectives on a regular basis and adjusting to the particularities of each knowledge production context. Policy work also took up personal resources such as time and mental energies. It was important to learn to balance the trade-offs involved. This point raises the issue of wider work-life balance aspects for PhD students. While there currently is a policy focus in New Zealand government on work-life issues in traditional work settings (DoL, 2006), the higher education sector has not received adequate attention in this context.

¹⁰ Another aspect of my research pathway that has influenced the development of my thesis has been the multiple physical locations I conducted my research in (I worked from both, University and ARC offices, as well as temporarily in Singapore). In these circumstances, the use of technology including hotmail email accounts, access to the internet and mobile access to databases became very important, as did the solving of data storage and security issues. My personal experience resonates with literature claims on the importance of flexible workspaces in the knowledge age (see ARC, 2002a).

In conclusion, I would like to emphasise the overall experimental nature of my thesis, which nevertheless is embedded in structural imperatives of literature guidance, theoretical and policy relevance and logical argumentation. My knowledge about economic and governance processes on sub-national scales has been gradually growing. The whole research process has been mostly non-linear. Insights often occurred in an iterative and cumulative fashion. This process has included a moving backwards and forwards between data generation and analysis, re-reading interview quotes and testing of different forms of representation. The way of doing it was largely through 'learning by doing', and critically reflecting. It might resemble an approach to knowing what Thrift (2000) calls 'learning-in-action-frameworks'. Yet the dissertation knowledge production process also involves co-learning (Le Heron *et al.*, 2006) between myself, my supervisors, informants and colleagues. Thus, it highlights the social construction of academic knowledges. Finally, I believe that there are some areas where my personal research experience can add to the methodological literatures. This chapter explained the mix of methodological resources drawn together to do empirical work on questions of economic governance in Auckland's neoliberalising and globalising context. The primary results are presented in the next two chapters.

CHAPTER FIVE

Auckland's and New Zealand's Economic Transformation after Restructuring: Institutional Arrangements and Changing Relationships between State and Economy

This chapter provides a relational account of the emergence of contemporary economic governance processes in Auckland and interrogates the institutional arrangements through which Auckland's and New Zealand's economic transformation in the post-restructuring period is attempted to be managed. It asks what role Auckland-specific actors, resources and spaces as well as their relationships play in this context. Thus, this chapter highlights some key attributes of the contemporary political management of Auckland's economy. The first part focuses on emerging governance arrangements at Auckland's regional scale in the mid- to late 1990's as a response growing social costs of a migration-mediated development boom. The middle part discusses central government strategies under a Labour-led government to re-connect neoliberalised state actors and processes, and outlines the increasing direct involvement of the central state in the management of Auckland's economy. The last part outlines the trajectories of state-economy interactions and the different ways these are constituted in Auckland's economic governance space under changed conditions in the early 2000's. This chapter's main argument is twofold. First, it is argued that the New Zealand central state has re-emerged in Auckland's political economic management that involves the co-opting of autonomously mobilised local state and business initiatives and networks into central state economic interventions. Second, it is claimed that Auckland's economic governance is characterised by the contingent assemblages of governing resources and ongoing institutional experimentation.

Emerging Regional Governance Initiatives in Post-Restructuring Auckland

Regional Growth Forum (RGF) Trajectory: Governing the Effects of Economic Growth

The early post-restructuring experience for Auckland had been by and large one of economic growth based on rapid and immigration-mediated population growth. While under these conditions economic growth had been largely taken for granted, new problems arose in the policy areas of land-use, transport and infrastructure as urban development and new sub-divisions proliferated and urban encroachment on the rural areas intensified. As a policy response, a collaborative regional institutional arrangement was created in Auckland's Regional Growth Forum (RGF).

Established in 1996, the RGF is a co-operative partnership between the ARC and the region's local councils. Its brief was to examine the options and alternatives for future population growth, and to manage its effects on the environment, infrastructure and local communities. Faced with the daunting prospective demand for 300,000 more dwellings by 2050, the councils agreed to work more closely together to resolve this urban growth issue. A key tool was the development of a growth strategy in order to accommodate growth in a manner that 'best meets the interests of the regional community'. The Regional Growth Strategy (RGS) builds on a vision "to sustain strong supportive communities, a high-quality living environment, a region that is easy to get around and protection of the coast and surrounding natural environment" (RGF, 1999a, 2). Particular emphasis has been given to policies of strategic urban intensification around growth nodes and public transport corridors. Importantly, the RGS 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.

As central part of this initiative, local actors representing all Auckland councils entered in a wide ranging consultation process with public and private sector organisations in the region, as well as the general public. While successful strategy implementation was seen in such close consultation and co-operation between parties, in some cases more formalised relationships were envisaged. Some key actors had "to [be invited] to the table, such as Transfund, Transit, Infrastructure Auckland, Watercare Services,

Chamber of Commerce and other business and development interests [and] central government agencies to achieve the strategy's desired outcomes" (RGF, 1999b, 54). One of the significant factors in implementing the strategy was seen in the alignment of regional growth policy with planning and expenditure on regional infrastructure.

This initiative can truly be seen as the first major collaborative policy initiative among Auckland's local councils. As a local government senior policy analyst explains, it was

...not just a response to land-shortage and population growth, it was primarily a response to a need of local government bodies in Auckland to talk to each other. It was a convergence of forces to force the Auckland government bodies to come into the same tent - almost against their instincts. (Informant 35, 2004)

The RGF, besides the simultaneously developed Regional Land Transport Strategy (RLTS) (see RLTC, 2005), became an important testing ground for collaborative behaviours among Auckland's restructured local state under a neoliberalising institutional and policy framework. At the same time, this initiative became an opportunity for regional learning in regards to tackling pressing policy issues associated with re-structuring trajectories that affected the region as a whole, and therefore called for a policy response at this geographical scale.

Auckland's Regional Economic Development Group (AREDG) and 'Competitive Auckland': Initiatives for Mobilising Economic Growth

In the late 1990's, the gravity of policy pressure shifted from intervention areas focusing on the effects - or social costs - of rapid economic expansion, to policies concerned with stimulating economic growth. The creation and the work of Auckland's Regional Economic Development Group (AREDG) is a key institutional expression of this changing intervention pattern. The collaboration under AREDG had been strongly influenced by a negative policy experience for the region. In 1999, Auckland - besides Christchurch and some Australian cities - was considered one potential site for corporate investment in High-Tech research facilities by US-manufacturer Motorola. But instead of cooperating, Auckland' economic development agencies competed in the bidding process. The region missed out, partly due to this fragmented presentation of Auckland as a business location, while Perth finally won the bidding with the aid of a \$25 million assistance package (Rowe and Wetzstein, 2006). For a local business

leader, this lost investment opportunity "...showed the complete inability of the region to put together a proposition to attract international business" (Informant 7, 2004).

In reflecting on this lost economic opportunity, the councils agreed to cooperate in economic development in areas such as advocacy, major events, promoting industry clusters and promoting the region to potential investors. These aspirations were manifested in a 'memorandum for co-operation' that was signed by the chief executives of Auckland's local councils in order to establish a framework for economic development collaboration. It kick-started co-operation in a fragmented and antagonistic institutional environment and led to the establishment of AREDG. This grouping, comprising representatives from each council, was charged with overseeing the delivery of co-operative projects, as well as with the assistance of the regional CEO-Forum in coordinating economic matters that were considered of regional significance.

A second initiative that aimed at governance changes in order to activate economic growth forces in Auckland arose out of the autonomous mobilisation of business interests in the 'Competitive Auckland' project. It were the signals conveyed by the commercial property market reflecting a local economic downward trend which mobilised a property investor to set in motion a governing initiative. The office vacancy rates in Auckland's central business district, having fallen over seven consecutive years during the 1990's from record levels of around 35 percent down to around 10 percent, started to rise again (AMP NZ Office Trust, 2000). The managing director of a large property trust linked this trend with corporate relocations to Australian cities. He commented that "...as property investor you aware of trends such as the relocation of people and offices which differs from breweries and banks" (Informant 7, 2004). His view was shared by a media commentator that contented that "Auckland is losing its best people" (O'Sullivan, 2001).

After having spoken at a local Rotary Club, the developer felt encouraged to expand his initiative. He approached a manager of the local branch of the globally operating 'Boston Consulting Group', because he acknowledged that "people in property are not good very at lobbying because they have vested interests" (Informant 7, 2004). The goal was to organise a team of people with diverse points of view. Well-connected with the local corporate community the Boston Consulting manager talked to CEO's in the

Auckland region that were “very much concerned about the ‘stripping-out’ of leadership” (Informant 18, 2004). More local business men joined in. Connections with potential new members in a relatively compact leadership community were largely made on the basis of “people knowing *of* each other” (Local business leader, Informant 1, 2004), rather than knowing people directly. Thoughts on institutional design and naming of this initiative were inspired by the business engagement model ‘Community for Melbourne’ in a city which had experienced severe economic problems 15 years ago. Yet, it was felt that local conditions between the two cities were quite different. It was decided to name the group ‘Competitive Auckland’, because the main focus was on raising awareness of, and work on, solutions for Auckland’s globally referenced economic underperformance as “Auckland’s GDP per population had been static over the course of the nineties” (Competitive Auckland, 2001).

‘Competitive Auckland’s engagement with other actors was seen as an important success factor. One member explained that “you had to create a momentum; you had to test the appetite. The management of the process is as important as the product” (Local business leader, Informant 18, 2004). The interaction with the public via the news media was considered highly effective by external observers (AREDS chair, Informant 21, 2004). This can be illustrated by the fact that between January 2000 and July 2005 it attracted far more media attention than the AREDS initiative, with 340 search engine hits in a database covering all news media in New Zealand compared to just 50. Particularly good relationships had been built with the print media, above all with the New Zealand Herald. Connections to the public were established through a range of public fora, which were on average attended by a couple of hundred people from business, community and political backgrounds. The dialogue with other private sector people was considered positive from within the group. However, engagement with local government was perceived as a mixed experience. While the chair person highlights that they were welcomed by the mayors of the region, local government’s economic development factions were somewhat protective of their ‘patches’ (Local business leader, Informant 1, 2004). In contrast, overall engagement with central government was perceived more positively as this business group “felt encouraged by them” (ibid).

To some degree, the ‘Competitive Auckland’ initiative can be understood as a different form of state-business engagement in the New Zealand context. At the end of the

1990's, economic and institutional conditions emerged under which public and private sector actors established new forms of communicating with each other. While in the 1980's and 1990's state-business conversations were dominated by the corporate Business Roundtable that focused on macro-economic issues at a national level, 'Competitive Auckland' is of purely local origin and constituted on a semi-informal, networked basis. It is driven by particular interests who rely to some degree on the fate of the regional economy. In regards to the motives behind this initiative, it can be speculated that they are as multiple as the membership is. For some, business engagement with government focusing on state re-regulation may have promised to help their particular businesses. For others, questions of raising personal visibility may have played a role as well as issues of repositioning within Auckland's elite. Others, again, may have been driven by a concern for the non-economic aspects of life in Auckland.

Viewed from a representation perspective, 'Competitive Auckland' spoke for a particular faction of Auckland's business community. They were development interests and associated factions of capital that benefit from place-based regeneration and investment strategies. But they also included higher education and financial sector interests, and later expanded to include other business, social and political interests. Left out were many small business interests and voices of the manufacturing and consumption-oriented service sectors, as well as those of the tourism industry. The link to property and land-value-reliant businesses is important. It is said that these interests have a vested interest in the local land-based accumulation cycle, and for this reason, often engage in local politics. Thus, the commercial property market related trigger for starting this initiative as well as the key involvement of development interests confirms the findings in academic work on the urban growth machine concept (Molotch, 1976; Logan and Molotch, 1987). The notion that cities in the US should be understood in terms of the efforts of property-owning elites to realise their interests in urban growth through the mobilisation of other actors has some explanatory value for understanding the way local business became involved in Auckland's economic governance arena.

Re-Framed Central State Governing: Re-Connecting the State, Partnership Approach to Intervention and Re-population of Auckland's Governance Space

Increasing Intra-State Connections: 'Joined -Up-Government' and Increasing Working Relations between Central and Local State Actors

When a Labour-led coalition resumed central government power in New Zealand in 1999, it inherited a state machinery that had been strongly reformed according to neoliberal principles. The state apparatus was characterised by widespread institutional fragmentation and resource competition. The incoming Clark government recognised early that in order to rebuild state-society relationships, it had to attend to the state sector first to transform its institutions and relationships. Since then, institutional processes and practices have been sought to re-design and re-engineer under the programmatic umbrella of a 'joined-up-government' - or a 'whole-of-government' - approach to policy making.

This envisaged transformation was first set out in the 'State of the Centre Report' (State Services Commission, 2001). Commissioned in part by the Prime Minister Helen Clark herself, it critically reviewed existing governing practice. A ministerial advisory group was appointed which emphasised the need for a culture shift in state organisations towards more dynamism and innovation; and a longer term policy focus in general. They also pointed to the need to re-build the government interface with its citizens around a healthy balance between outcomes, outputs and capability. Part of the answer to these challenges was seen in the need of central state actors to adopt a more regional focus in their work. A key institutional failure of the existing state apparatus was identified in its "fragmentation and loss of focus on the big picture that fragmentation can cause" (4). In order to improve alignment, the advisors suggested the establishment of networks of related agencies at both, the centre and in the regions. It was envisaged that these were a more appropriate vehicle to integrate policy, delivery, and capability building as "such networks can support both policy development and the delivery of joined-up services" (26).

The new focus on a 'whole-of-government' approach emphasised coordination between previously separate departmental responsibilities. These would now span across a number of portfolios such as research and development, education, economic

development and social development (Schoellmann and Nischalke, 2005). Table 5-1 shows an example of new practices in the form of inter-departmental co-authorship in regards to policy reports (reports 7 and 9). Over recent years, governing practices appear to have been altered to some degree. A policy executive working in MED states that:

...[p]reviously you consult with [other departments and agencies], which meant drafting a discussion document, send it out and getting a submission back. Today, there is much more face-to-face interaction, we have joint officer groups and make more use of advisory groups. It's a shift from consulting to engagement. Engagement, I guess, means try to work together, bringing together stakeholders to sort out the problems. It means acting at a distance, making them to solve their problems themselves. (Central government manager, Informant 22, 2004)

In sum, the current 'joined-up-government' approach to governing practices in New Zealand's central state institutions can be seen as a first step in re-building state capacity to intervene more directly in social and economic affairs in New Zealand. After several years, a more interactive style of organising governing work within the central state apparatus based on more actor connections and more frequent information exchange seems to have emerged.

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. Under the Labour-led government in New Zealand, sustained efforts were made to formalise partnerships between national government, local state institutions and wider local interests. Inspiration was taken from similar discourses elsewhere, especially from the third-way political project in the UK with its emphasis on 'partnerships' (see DETR, 1997, in Valler *et al.*, 2004) and 'integrated policy making' (Betteley and Valler, 2000).

Under the programmatic umbrella of 'partnerships', New Zealand's central government places high importance on national – local state interaction and coordination. As an expert on the interface of the two levels of government explains, "the agenda of the

current government is a broad social agenda. To make it work you've got to involve both tiers of government. This means 37 government departments and 87 local councils. Both sides of government are finding new ways of doing this" (Local government association manager, Informant 32, 2004). Hence, central government can be viewed as a key driving force in connecting, and working more effectively, with lower tiers of government in economic and social governance processes.

But the ambition to develop central-local state relations was not restricted to central government alone; it was also shared by the local and regional layers of government throughout the country. In the Auckland context, there had been a gradual realisation during the course of the 1990's among political leaders that building closer relationships with central government is central to successful governing the various domains of socio-economic life. This awareness was partly borne out of perceived policy crises in infrastructure and land-use areas in a region that grew by approximately twenty-five-thousand people a year (RGF, 1999a). A manager who had worked in both, central and local government positions, therefore sees the "[P]artnership model is the alignment of two ambitions. Central government asked how we can do things differently in order to better deliver locally, and local government realised that the by far biggest piece of local expenditure is under control of central government" (Local government manager, Informant 16, 2004).

Auckland's political actors are now more aware of resource inter-dependencies between local and central state. Figures circulating in local policy circles show that "local government in Auckland only spends 3 percent of New Zealand's Gross Domestic Product (GDP) on its people and firms. [In contrast,] central government's expenditure in Auckland amounts to 30 percent of the national GDP, a ten-fold figure" (Local government financial manager, Informant 20, 2004). While greater awareness of the co-dependency between state centre and periphery has often led to local political debates on 'increasing Auckland's share' (Personal observation, 2004), in many actors' views, relations between local and central tiers of government have visibly improved over the last years.

Better relationships are partly expressed in a shift from advocacy to working relationships. The latter centrally involves networking and interaction between central

and local state actors, as compared to one-way communication, or lobbying. Changing relations become visible in the increasing amount of travel of central government officials to Auckland, and vice-versa. An example for the former are the recurrent visits of the managers of the Tertiary Education Commission (TEC) to discussions of the 'AREDS education steering group meetings' that were conducted with a range of Auckland-based stakeholders in 2003 and 2004. Regarding the latter, quite frequent visits to Wellington or otherwise lengthy phone calls to central government officials became the norm for the manager of the Socio-Economic Group of the ARC (Personal observation, 2004).

Growing political connections and relationships between New Zealand's political centre and the Auckland region can also be discerned in a range of policy initiatives which needed both sides to contribute. One of the earlier examples had been the regional input into the review of the Local Government Act (LGA) 2002, which amounted to a range of changes on the original wording of the new legislation. On another occasion, local government responded to a central government policy initiative with the setting up of an inter-council working group for developing new sets of indicators which can measure sustainability in the urban context (Personal observation, 2003). Increasing working relations can also be demonstrated in a very recent example involving the ARC. As one of the fractions of local government in Auckland, it responded to new governing conditions set out by central government in particular ways. A policy document reveals how political engagement between Auckland and New Zealand's capital is envisaged now:

Discussions and experience within the Auckland Sustainable Cities programme have suggested that the Auckland local authorities may be able to better co-ordinate their dealings with central government on major policy and priority issues through a regional grouping. Such interaction would be at an oversight level and would focus on the alignment of broad policy outcomes and associated expenditure. It would overlay, rather than replace actual on-the-ground co-operation around specific programmes of action. Multi-layered engagement with central government at the city, district and regional levels, as well as at the political and officials levels would be complemented, rather than replaced. (ARC, 2004a, 2)

Interestingly, the idea of establishing regional groupings to deal with central government is becoming a more naturalised response to new political conditions. It

seems to happen less out of crises perceptions, and not just in elite circles of political and bureaucratic leadership, but rather arises out of institutional and policy opportunity as an impulse that permeates through wider layers of government organisations. Under new conditions, particular emphasis is placed on multi-layered engagement, a work mode that deliberately overlays and overlaps actors and processes at the potential cost of losing some degree of efficiency in policy processes. Figure 5-1 depicts a matrix that demarcates regional policy issues in regards to cross-council and cross-government co-ordination requirements.

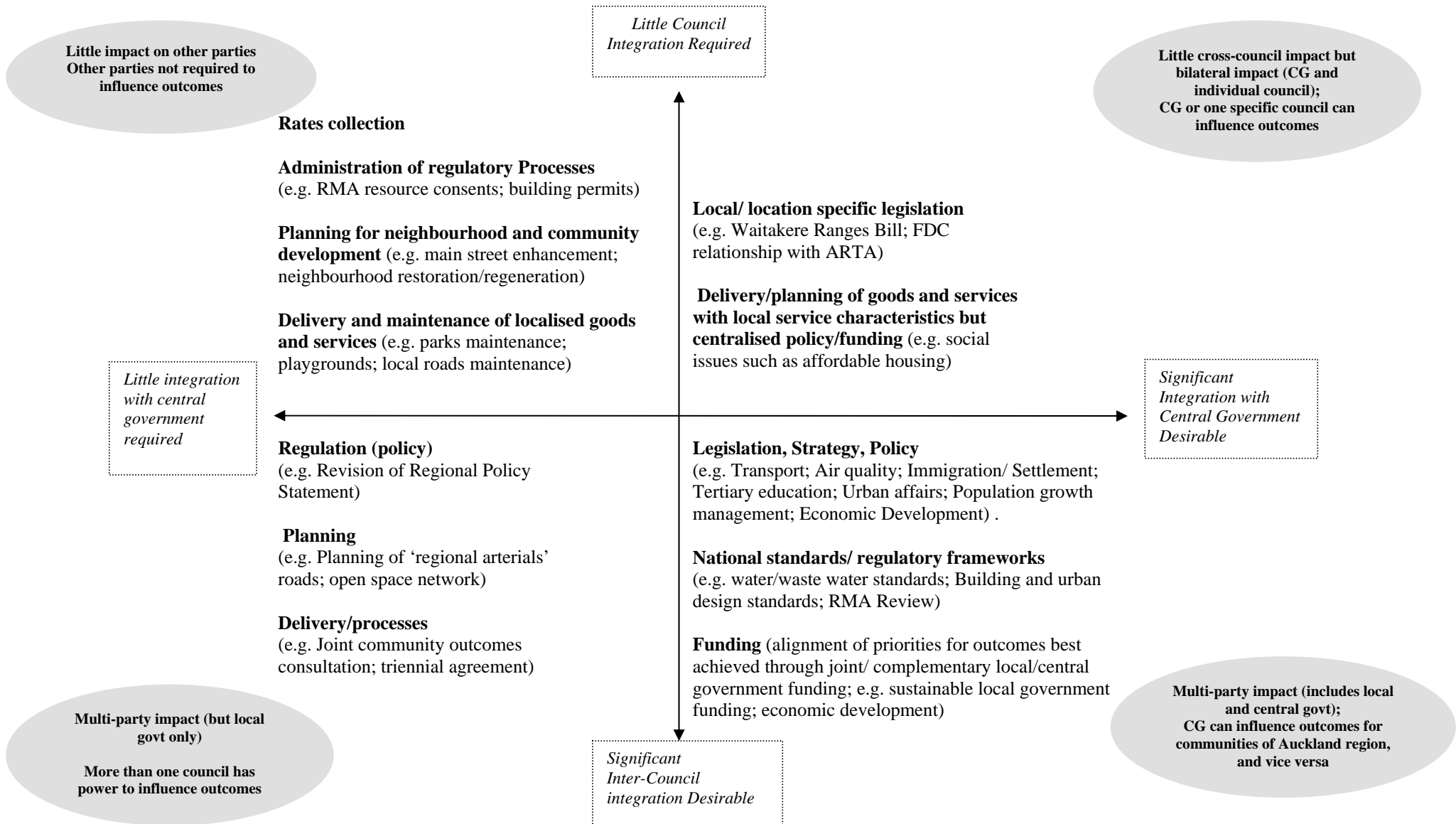
The last example highlights the changing role of the ARC within Auckland's local state, as well as in local state - central state relations. Under current conditions it becomes more of an intermediary between local and central government. However, given the strong tendency in New Zealand's political history for central government to appropriate the regional scale of intervention and its institutions for its own purposes (see Chapter Three), one could better speak of an increasing co-opting of the ARC as a mediator of central state interests. From this perspective, new areas of struggle and contention within Auckland's local state can be anticipated, albeit the specific forms they will take, and the particular policy areas and issues they will concern, can not be predicted in advance.

But there are also cautious and even sceptical views within local government on relational developments under the 'partnership' model. A local government manager points to the fact that

...[i]n a practical sense, partnership hasn't meant a lot yet, although many interesting things are going on. After four years, it's not yet clear whether this is real or rhetoric. Partnership is hard, because you change how to work, attitudes, cultures. Ultimately it's how you spend money, giving away control. (Informant 16, 2004)

Part of the limits to local-central state partnership building may lie in the cultural division between Auckland and Wellington. For long, both decision-making communities have had difficulties talking to each other and co-ordinating policy issues.

Figure 5-1: Issues Requiring an Integrated Approach from an Auckland Regional Perspective (Source/ ARC)



Auckland is widely considered a self-centred place and blamed for being uninterested in central government politics. This view is confirmed by a local Auckland business leader who admits that “Auckland is an interesting place: we don’t care about government unless we have business with them” (Informant 19, 2004). This perception of Auckland’s ‘otherness’ is also shared by central government, as one employee of a central state ministry describes the city as being “almost a different country” (Central government policy adviser, Informant 24, 2004).

Central State Expansion and new Institutional Arrangements for Economic Intervention in Auckland

New institutional arrangements at central state level were created with the aim to build more strategic intervention capacity in New Zealand. Previous neoliberal state reforms had produced an institutional infrastructure unable to cope with the demands of more direct and strategic intervention. The first step in initiating change was the creation of a new position in Cabinet after the 1999 general election - the Minister of Economic Development - which was filled by Jim Anderton. Consequently, the Ministry of Commerce was restructured and renamed as the Ministry of Economic Development (MED). It was given the mandate to provide policy advice to the government on economic, industry and regional development issues. MED facilitates, leads and implements the central government’s vision for sustainable economic development to grow an “inclusive, innovative economy for the benefit of all” (MED, 2005a). These decisions reflected the incoming government’s view that the reforms of the previous 15 years had gone too far in rejecting any active role for the central state in promoting regional development (Schoellmann and Dalziel, 2002).

In 2000, a government agency to design and implement programmes to deliver the government’s economic development policies was created in Industry New Zealand (INZ). The Industry New Zealand Act 2000 specified that this Crown entity was responsible for facilitating the development and implementation of strategies, programmes and activities for industry and regional economic development in cooperation with industry, central and local government, and relevant community groups (NZTE, 2005a). The organisation was constructed as “the public face of government’s commitment to sustainable economic development” (MED, 2000). With an initial budget of more than \$331 million over four years, this agency has been

focused on growing the export sector of the New Zealand economy by fostering projects and ideas that are internationally competitive (ibid). Its main framework for implementing economic development policy has been the Regional Partnership Programme (RPP).

In September 2002, New Zealand's Government decided to integrate the services provided by INZ and Trade New Zealand, the Government's trade promotion agency, in a new organisation, New Zealand Trade and Enterprise (NZTE). The rationale behind this merger was the creation of a seamless interface of government with business "throughout their life cycle, from start-ups to internationally competitive companies" (NZTE, 2005b). NZTE, established in July 2003, has been considered a key institutional element of New Zealand's Growth and Innovation Framework (GIF) in terms of delivering, coordinating and aligning the delivery of services designed to implement GIF policy (see also a later section on GIF in this chapter). NZTE's objective to support the development of internationally competitive New Zealand businesses directly derives from GIF's focus on the internationalisation of the economy and the overarching objective to increase the long-term rate of sustainable economic growth (MED, 2005b).

The NZTE merger meant that two organisations with separate decision-making structures and work cultures had to be integrated. This process was not free of tensions, struggles and uncertainties for staff and management. Besides issues around overlapping and confusing governance during the merger period, the integration of different approaches to working with firms, organisations and industry, and measuring the results, proved difficult. As one officer points out:

...Trade NZ was pretty committed to benchmarking, which is looking for comparative achievement. Industry NZ comes with an evaluation culture, where you look for cause and effect, for feedback loops; it's about policy learning. I don't know how these different cultures will work out. (Informant 27, 2004)

These areas of conflicts demonstrate that the state - rather than a monolithic, abstract, hegemonic and all-powerful uniform actor - is better understood as a series of social relations which can be inherently contradictory and crises-ridden (Jessop, 1990; 2001).

A constantly changing operational environment means that NZTE has to respond and evolve structurally. During 2003 and 2004, the organisation undertook a global services

review of its business model which reinforced the importance of NZTE as being a market-led economic development agency. In praxis this means that “staff sees itself as private sector people [as] they are mostly employed out of the private sector” (Lough in James, 2003,1). Changes were made to the management structure, where group general managers would be put in charge of both, the support of a domestic economic sector such as food, education, ICT and wood-processing, and a global geographic area such as North Asia or the Americas that constitute a key market for goods produced in such industries. The rationale behind this restructuring is the search for synergies between local industry and business development, and overseas market knowledge. The new organisational structure is designed to ensure greater flexibility and to respond rapidly to changing markets (Informant 11, 2004).

The new agency understands itself as a promoter of particular business interests. Chairman Phil Lough explained that “NZTE will not support just any firm that wants to export. It will focus on those determined to grow exports with the capability to do that” (James, 2003, 1). In addition, a manager in charge of the implementation of the RPP comments that “[i]n NZTE we have more resources to chase investment, we are more strategic, more focused. We are slightly more selective now; we deal with the bigger firms. The local EDA's deal with the SME's which are not yet globally ready” (Central government manager, Informant 28, 2004). These interpretations of the nature of their work can be seen as a departure from past economic development practice where Trade New Zealand's emphasis had been

...on any exporting business. Any firm which came to them would be put into a network, an in-market assistance schema, assisted with research or represented on trade shows. There were no real qualifiers, everything dependent on the market-perceptions of the businesses. (Central government regional advisor, Informant 11, 2004)

The new practice developed in NZTE replaces previous forms of facilitative intervention on the bases of ‘equal treatment’ with a new approach that deliberately includes particular businesses in, and excludes others from, more supportive forms of economic management.

Re-working of relations and institutional arrangements of the state has increasingly been complemented by a re-population of New Zealand's regions by central state actors and

institutions. Auckland has been the most important site in these processes. At central government level, Auckland's unique position in New Zealand in terms of its population share and comparative economic power was recognised right after the victory in the 1999 elections with the establishment of a new position in Cabinet, the Minister for Auckland. It fills a role of representing the interests and needs of Auckland at a central government level in order to address effectively the particular problems Auckland faces, which are largely infrastructure and population growth related (New Zealand Government, 2006). Central government's interest in Auckland can also possibly be linked to the fact that Prime Minister Helen Clark has lived in Auckland for a long time and - according to a central government agency manager - "takes an interest in Auckland's development" (Informant 29, 2004).

While specific political representation of Auckland interests was widely regarded as a step in the right direction, commentators are rather sceptical of what this new Ministry has been able to achieve. A central governmental official points to a 'symbolic' recognition of Auckland but is "not sure about success on the operational level" (Informant 29, 2004). Evaluating its effectiveness from a policy delivery perspective, a former regional manager of a central government agency acknowledged that "...the Minister for Auckland is an excellent concept, but it has not worked in economic development" (Informant 13, 2004). From local government side there was criticism that "the role has not been understood or supported by an infrastructure which in any other country would have been a given" (WCC, 2005, 2).

The re-population of central state's economic intervention policy apparatus into Auckland started with INZ's establishment of a regional office here. A full-time regional advisor became responsible for regional strategic issues such as advice on the development of AREDS. Since then, representation of central state economic development interests in Auckland has increased steadily. Under the NZTE model, the current CEO Tim Gibson leads his organisation from two offices - he is simultaneously represented in both Wellington and Auckland offices. This differs from the recent past when he would only work from his Wellington headquarter (NZTE, 2005c). Strengthened NZTE presence in Auckland has left its mark on regional economic development work. As an experienced local government manager points out:

[w]hen central government moved away from the region for ten to twelve years, local government filled the gap. Historically, this has been a very low level intervention technique. Over the last five years, NZTE is rapidly moving into the region, up-skilling, highly funded and committed. (Informant 36, 2004)

In very recent times, re-population patterns do not only include organisations working in policy implementation, but also in policy development. In 2005, central government established a Government Economic and Urban Development Office (GEUDO) in Auckland, in which four central government organisations - the Ministry of Economic Development, the Ministry for the Environment, the Ministry of Transport and the Department of Labour - have established a shared office to improve the incorporation of Auckland perspectives into central government policy making processes, and to engage more directly with Auckland stakeholders. This organisation proposes to work across government to focus on sustainable economic and urban development issues of relevance to Auckland and the nation. The integration of office staff into both - national and local circuits of policy development processes - is reflected in dual reporting structures that involve a local office manager and managers in the four Ministries in Wellington.

Attempts to position central state actors closer to their objects of economic intervention - firms, organisations and people - can be understood through multiple theoretical frameworks. From a political-economy perspective, it is helpful to think about the state as an institutional ensemble that is made up of human agents, the state personnel. It can be argued that people working in and for the state are important components in the creation of new governance spaces. Comprehending the state as a 'peopled organisation' rather than being "an insulated domain of anonymous policy-makers" (Peck, 2001, 451, in Jones *et al.*, 2004), forces the acknowledgement of the role of people in actively accommodating and revising the emerging structures, institutions, and strategies of the state. In this context, state personnel have been described as important in shaping new governance spaces and institutions, as well as being themselves subject to changing governing forces. This relationship has in the British context been referred to as "a kaleidoscopic re-alignment of the recursive relationship between state personnel and state institutions" (Jones *et al.*, 2004, 106).

From an economic geography point of view, the increasing presence of central state actors in Auckland can be explained by the principles of co-location. This geographical notion captures the tendency of social and economic actors to locate, or establish some form of representation, in close proximity to another actor in order to facilitate some form of exchange-relationship with this actor. Actors are considering co-locating as a strategy to better influence governance outcomes. The University of Auckland for example, through its current Vice-Chancellor, considers an institutional representation in Wellington because government happens in New Zealand's capital (Murphy, Personal communication, 2005). And Waitakere's Mayor envisages an Auckland Lord Mayor's office in New Zealand's capital as a way to talk directly to the Government, the Prime Minister and Cabinet (WCC, 2005). These statements highlight - besides a confirmation of the importance of central government for directing resources into the Auckland region - the crucial role of proximity in contemporary advocacy and institutional relations. In regard to co-location and governance, the New Zealand context differs significantly from the UK, where the need for co-locating is reduced as central government is located *in* the by far largest and economically most important city, London.

From an academic perspective, it is puzzling that while the international literature pays a lot of attention to co-location characteristics of economic actors in the classical sense such as firms (Sorenson, 2003), public and private health organisations (Brown and Barnett, 2004) and regions (Porter, 2003), this inherently geographic topic has not yet received interest from scholars interested in the workings of the spatial political economy and the geography of the state. Based on the evidence presented in this thesis, it becomes clear that - even in times where the use of modern ICT's and better and faster transportation links help the building and maintaining of advocacy and policy relationships between institutions across space - in a growing number of instances this form of connecting 'at a distance' is not considered sufficient anymore. This observation in turn highlights the role of immediate and face-to-face interaction in governance arenas (Storper and Venables, 2004).

Influencing Conditions for Sub-National Governance: Enabling Local Government Processes and Framing Regional Development Partnership Processes

Besides more direct involvement, central government continued to influence local governance trajectories in Auckland 'at a distance'. Key to exerting power from afar has been the use of statutory means. Recent years have seen the progressing of legislation-supported regional collaborative governance initiatives. In addition to environmental projects such as the Hauraki Gulf Forum (ARC, 2006) and regional service delivery initiatives such as the funding organisation 'Infrastructure Auckland', the most comprehensive central government supported collaborative regional effort took place in form of the RGF. For this initiative, central government created new legislation in form of amendments to the Local Government Act 1974. The new sections of the act placed an obligation on the ARC to prepare and adopt a regional growth strategy, as well as to establish a growth forum for the region.

The new approach to regional policy in Auckland that is best exemplified by the RGF predated a broader move by central government to create conditions for increasingly enabling local government decision-making. The key piece of legislation in this context has been New Zealand's Local Government Act (LGA) 2002. It sets out only two broad purposes: to enable democratic and local decision-making and action by, and on behalf of communities, and to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. This broadened purpose has been seen as having the potential to expand considerably the role of local government in regional economic development (Saunders and Dalziel, 2004). In particular, regional councils are now empowered to be more proactive in activities that are best delivered regionally, including regional economic development. This is a break with the past as set out in the RMA where regional councils were largely acting as environmental regulators focused on the integrated management of the physical and natural resources of regions. While in theory, the LGA 2002 and the RMA are not inconsistent, in practice issues of integration are likely to arise. In this context, Dixon (2005, 13) finds that "somewhat surprisingly, no reference is made in the LGA [2002] to the need to align plans developed under both acts".

Conditions for sub-national governance have been further re-created through central governments 'partnership' approach to regional economic development. Under the

leadership of MED, INZ attempted to mobilise stakeholder coalitions in New Zealand's regions. In this context, a 'partnership' strategy to regional economic development can be seen as a practical necessity for the effective delivery of policy programmes in a fragmented institutional framework (Killerby *et al.*, 2004). The main vehicle for implementing economic development policy was the Regional Partnership Programme (RPP). It was modelled programmatically on the OECD's Local Economic and Employment Development (LEED) approach, and the work of the English regional development agencies. According to central government policy analysts Schoellmann and Nischalke (2005, 81)

...the programme aims to incentivise and help regions to improve understandings of the value of locally driven strategic development processes, to facilitate learning and co-operation among regional stakeholders, and to help regions to respond to local development opportunities...a further key objective is to provide Maori and Pacific peoples with opportunities to control their own economic development and to achieve their own objectives in this context.

This approach to regional development has received criticism. For example, Rowe (2004; 2005) states that the application of the RPP policy model in New Zealand has been criticised for its lack of administrative support and the structural funds available compared to the European Union.

'Regions' under the RPP were constructed entities. They were not necessarily presupposed by size, political boundaries or cultural proximity, but became a subject of negotiation after stakeholder applications for partnerships had been received. Initially more than 70 applications for regional partnerships from actor coalitions from around the country were finally consolidated into 26 regions (see Figure 5-2). Auckland became the by far biggest RPP-region in terms of inhabitants. Yet, the RPP allowed only very limited scope for recognising Auckland's particular importance as New Zealand's prime centre of wealth creation by means of channelling extra resources into the strategic economic development work of the region. Under the RPP, funding was made available up to \$100 000 per region for each - strategic planning, capability building and inter-regional capability building, as well as up to \$2 million for the implementation of Major Regional Initiatives (MRI's). Local co-funding was actively sought.

**Figure 5-2: 'Regions' classified under the Regional Partnership Programme of Industry
New Zealand**



Source: Map adapted from NZTE, www.nzte.govt.nz/reds

Funding was tied to the joint development of a regional strategy. As the AREDS chair points out:

Applications by local EDA's for funding from government to support economic development activities were put on hold until an economic development strategy for the region was complete. This action by Minister Anderton was very helpful in securing support for the development of the strategy. (Informant 21, 2004)

In the Auckland context, months of negotiations between INZ and AREDG as the representative of Auckland's interests finally led to an agreed process for the

development of a regional economic development strategy with the engagement of multiple stakeholders in Auckland.

Discursive Re-Population of Auckland's Governance Space

Central government became not only more influential in Auckland's economic governance through making material connections and by statutory means, it also achieved effects through discursive strategies. An increasing number of central state mediated discourses put Auckland in the centre of wider policy attention. One way of achieving this has been the increasing reference to Auckland as a spatial object of governance in a range of central government commissioned or published policy reports (see Table 5-1). In particular in the policy areas of skilled labour (report 1), sustainability and infrastructure (reports 5 and 9) and innovation (report 11), Auckland has been frequently mentioned explicitly as a key object of governance. This fact can be contrasted with Wellington, New Zealand's capital and second largest city, which was largely absent in national discourses on economic transformation. Attention to Auckland as a centre of policy significance within New Zealand has also shifted indirectly. In this approach, the increasing preoccupation of central government with the policy topics of sustainability, creativity, infrastructure and urban development shifted policy attention to larger cities in which economic and environmental processes are more intensified. In this way and almost by default, Auckland would automatically be put in the centre of governance attention as New Zealand's - by far - largest city-region.

In turn, the central state also entered more frequently into the domain of discourses which circulate in Auckland's local governance arena. The particular political projects that were promoted on central scale such as the emphasis on GIF and a recent preoccupation with productivity have, in variable ways, found entry into the discursive fabric of Auckland's regional policy world. There, they have been subject to interpretations, translations and transformations depending on the institutional and personal context of actors involved. For example, 'partnership' discourse has resulted in the suggestion of a 'virtual team' of stakeholders involved in work during the AREDS interim stage (Personal observation, 2003), creativity discourse has left a mark in the form of a local awards event to celebrate the commercialisation of the arts (Informant 52, 2004) and the latest emphasis on productivity in central government's thinking on

Table 5-1: Central Government Policy Reports on Economic and Territorial Development in New Zealand (Source/Author)

Number	Policy Report	Author	Date	Number of Pages	Number of Times a City occurs per Page		Reference to Auckland
					Auckland	Wellington	
1	New Zealand Talent Initiative Strategies for building a talented Nation	LEK Consulting (2001)	November 2001	113	1.00	0.08	New Zealand's 'global life style city'
2	Building the Future Using Foreign Direct Investment to Help Fuel New Zealand's Economic Prosperity	BCG (2001), Boston Consulting Group	End of 2001	108	0.15	0.01	Institutional context (e.g. University of Auckland)
3	Turning great ideas into great ventures	Science & Innovation Advisory Council (2001)	December 2001	56	0.13	0	Institutional context (e.g. Competitive Auckland)
4	Growing an innovative New Zealand (GIF)	DPMC (2002) Department of Prime Minister and Cabinet	February 2002	64	0.13	0.11	Location for case studies
5	Tertiary Education Strategy	Ministry of Education (2002)	May 2002	69	0.13	0.06	Institutional and geographical context
6	The Government's Approach to Sustainable Development	Ministry for Environment (2002)	August 2002	52	0.10	0	Auckland population, People of Asian descent
7	Sustainable Development For New Zealand Programme of Action	Ministry for Environment (2003); jointly MED/ MfE	January 2003	30	0.80	0.03	Population growth, Infrastructure pressure, AREDS, Site of social problems, Key sustainable city
8	Review of the Monitoring Progress Towards a Sustainable New Zealand	Statistics New Zealand (2003)	February 2003	41	0.07	0.02	New Zealand's urban context, Waste indicator
9	Infrastructure Stock-take	Interdepartmental Working Group on Infrastructure /IWG (2003) incl. MED, DIA, MoT, MfE, DPMC	July 2003	47	0.64	0	Transport, International Airport, Water/ storm water
10	Progress Report 2003 Growth and Innovation Framework	Ministry of Economic Development (MED, 2003a)	August 2003	16	0.375	0.06	Focus site for sustainable development, Global city
11	Growth through Innovation: Progress to Date	Ministry of Economic Development (MED, 2005c)	February 2005	32	0.469	0.09	New Zealand's most populous region, Effective economic unit, AREDS, Sustainable city

how to improve the country's economic performance mutated into Auckland's Metro project that seeks "local and international engagement for a more *productive* city-region" (Metro Auckland Project, 2006a). And sustainability, a current buzzword, can virtually be found everywhere in policy texts circulating among Auckland's state actors. Regardless of differences in the way they are translated locally, central state promoted concepts and topics on economic transformation have been key 'discursive' factors in the re-population of Auckland's governance space by the New Zealand's central state.

Experimental State-Economy Processes in Auckland's Governance Space: Resource Interdependencies, Contingencies and Contentiousness in Assembled Governance for Economic Transformation

State-Economy Engagement in Networked Institutional Arrangements in Auckland

Intersecting Initiatives and Actor Engagement under a 'Partnership' Model: AREDS Strategy Development

Three governing initiatives set in motion relatively independent sets of intervention processes that came to intersect in the AREDS-project: the emerging collaborative local state trajectory in Auckland's economic development planning in form of AREDG, the autonomous mobilisation of business interests in the 'Competitive Auckland' initiative and central government's 'partnership' approach to Auckland's regional economic development planning. It was their interaction and cross-fertilisation that enabled a regional economic development planning trajectory to develop in Auckland.

The strategy development process under AREDS resulted from the intersecting initiatives of AREDG and 'Competitive Auckland' under direction and funding support of central government's RPP process in the years 2001 and 2002. It is the first stage of three distinct phases in the AREDS trajectory, besides interim arrangements between 2002 and 2005 and today's governance structures under the ARC. In the first stage, AREDS became established as a public, private and third sector crossing collaborative initiative between local actors in Auckland. After funding was negotiated between AREDG and INZ, the leadership was handed over to a newly founded body, the Strategy Leaders Groups (SLG). The SLG comprised of 14 people (see Table 5-4) and was chaired by a respected business leader. There were 'Competitive Auckland'

members among the group, Maori representatives and voices of Pacific people, migrant groups, the local councils, the voluntary sector, the tertiary sector and the local economic development agencies.

The strategy development process was widely viewed as a success. It put strong emphasis on engagement with the public through means such as the organisation of four public fora and the establishment of an own website (www.areds.co.nz). The former were strongly geared at getting feedback from people through mechanisms such as small group discussions and workshops. There was also a strong emphasis on wider stakeholder engagement that consisted of talks with a wide range of business, government, community and education leaders. Another positively viewed aspect was the 'robust' generation of policy knowledge through technical consultancy reports, the expert input from advisory group discussions and often creative 'behind-the-scenes' brain-storming sessions (Personal observation, 2002).

The AREDS strategy was finalised in mid-2002, and publicly launched in presence of the Prime Minister. The strategic document (see Appendix One) emphasises two broad and complimentary strategic directions. One deals with the development of an outward focus of the regional economy comprising of local promotion to overseas investors, encouraging of innovation, developing overseas markets and the support of exports. The other strategic direction centres on building the local foundations of this outreach theme, with an emphasis on a high quality living environment, an entrepreneurial culture, a skilled labour force and a responsive government (AREDS, 2002a). The strategy was generally hailed for process and content (Personal observation, 2002). However, the strategy stays rather vague on the exact detail of how to put the eight strategic elements into practice (Local business leader, Informant 17, 2004).

One of the problems during this stage of the AREDS project concerned the decision-making processes. As a public-private policy experiment, no clear processes or structures existed in regards to who would make decisions; and on what basis. The SLG as the formal AREDS leadership structure also ran into problems of political mandate. One participating business leader remarked that "AREDS had no clear leadership. The only power they had was the potential loss of reputation if people didn't come up with results" (Informant 2, 2004). In contrast, central government through INZ, and later

through the newly founded NZTE, played a more important role than what rhetoric on partnership processes suggests. Their relationship with AREDS was at times of a 'strong guiding' kind, to a degree that one local officer used the word 'dictating' to describe the nature of their engagement. Thus, overall AREDS leadership was unevenly distributed among local and central governing actors, and this power constellation was always subject to contestation.

AREDS featured not just a strategy work stream, but also one concerned with the later implementation. This implementation, or governance, work stream consisted of officers that were seconded from local councils. Its purpose was to guide the development of an institutional framework that could implement the strategy. This process went alongside the strategy development process. The strong coupling of these processes in time was problematic, as one had to think about governance institutions at a point in time where the content of the strategy was still 'under construction' (Personal observation, 2002). However there was no alternative, as financial constraints on AREDS - primarily funding limits by INZ - required a tightly constructed project plan guided by pragmatism.

Institutional Experimentation, Path-dependency and Regional Learning: the AREDS Trajectory

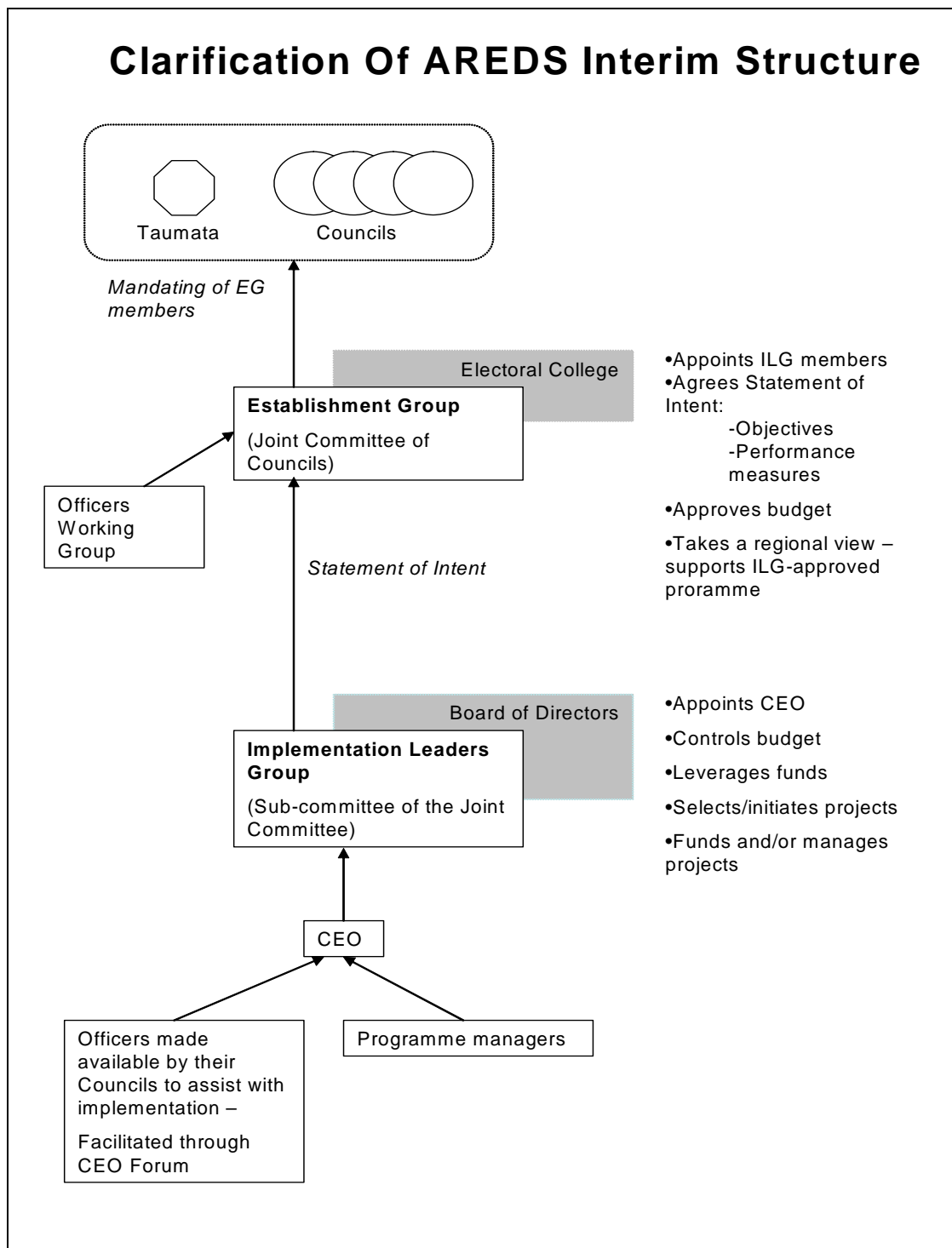
In the AREDS interim period, informal governance arrangements centring on the ARC co-existed with a narrowly defined, formally governed and central state framed strategy implementation process. The former consisted of further strategic planning processes, involving the prioritisation of AREDS work programmes and the conduct of international benchmarking research. Much less known than the official implementation process, the more experimental work in this AREDS site resulted in some tangible policy results such as central government funding of regional labour-market related research. The latter process became the key AREDS implementation model for almost three years. An elaborate organisational governance machinery consisted of a 20 strong local government-'heavy' Establishment Group, a smaller expertise based implementation group and the AREDS-office for day-to-day work operations. These institutional layers were charged with preparing business cases for the process of implementing major regional initiatives (MRI's), to sort out AREDS' long-term governance and to get some commercially visible 'runs on the board' with so-called

'go-now' projects (AREDS, 2002b). A central aspect of AREDS' work became the justification of its own existence within the existing institutional economic development landscape in Auckland (Personal observation, 2003).

This interim governance structure had been modelled on previously set up regional public good delivery structures. The underlying decision-finding process is revealing. The AREDS governance work stream - after a series of internal discussions, a research and information gathering process on Auckland's strategic and economic development environment and the organisation of a workshop with experienced individuals - reached no agreement as to what structures will be best suited to implement AREDS. In response, a new structure was created, called the CEO-Advisory group. This informal body brought together the CEO's of Auckland's local councils in an advisory body to assist the SLG. The decision-making process comprised of a set of four, weekly held, meetings. The position of the chair was filled by the representative from MCC, in line with current chairing arrangements at the Mayoral and CEO-Fora. It was in the final meeting that the chair suggested the modelling of AREDS structures on the arrangements of 'Infrastructure Auckland' (see Figure 5-3), a model characterised by a strong emphasis on neoliberal principles of service efficiency, local accountability and transparency in the prioritisation and provision of regional infrastructure grants. This advice was later endorsed by the SLG and put into practice. It is interesting to note that the Mayor of Manukau was also the leader of the Electoral College, the governance body of 'Infrastructure Auckland'.

The AREDS interim arrangements have been criticised for their inadequacy of dealing with implementing the strategy content. Based on a narrow interpretation of what constitutes economic intervention, exhibiting tightly governed institutional relations in line with neoliberal governance principles, and being part of a 'rolled-out' central state-framed strategy implementation process with no real concern for Auckland's particular place in New Zealand's economy, the institutional arrangements were widely interpreted as sub-optimal. A regional economic development advisor described them as "unwieldy, oversized, too local government, too mandated. This interim structure was the opposite what economic development needs - swift decision-making, optimising

Figure 5-3: AREDS Interim Structure based on Infrastructure Auckland Model



Source: AREDS Establishment Group Agenda, September 24/2003, from Rowe (2004);

Note: Taumata refers to a Leadership structure of Maori in the Auckland region

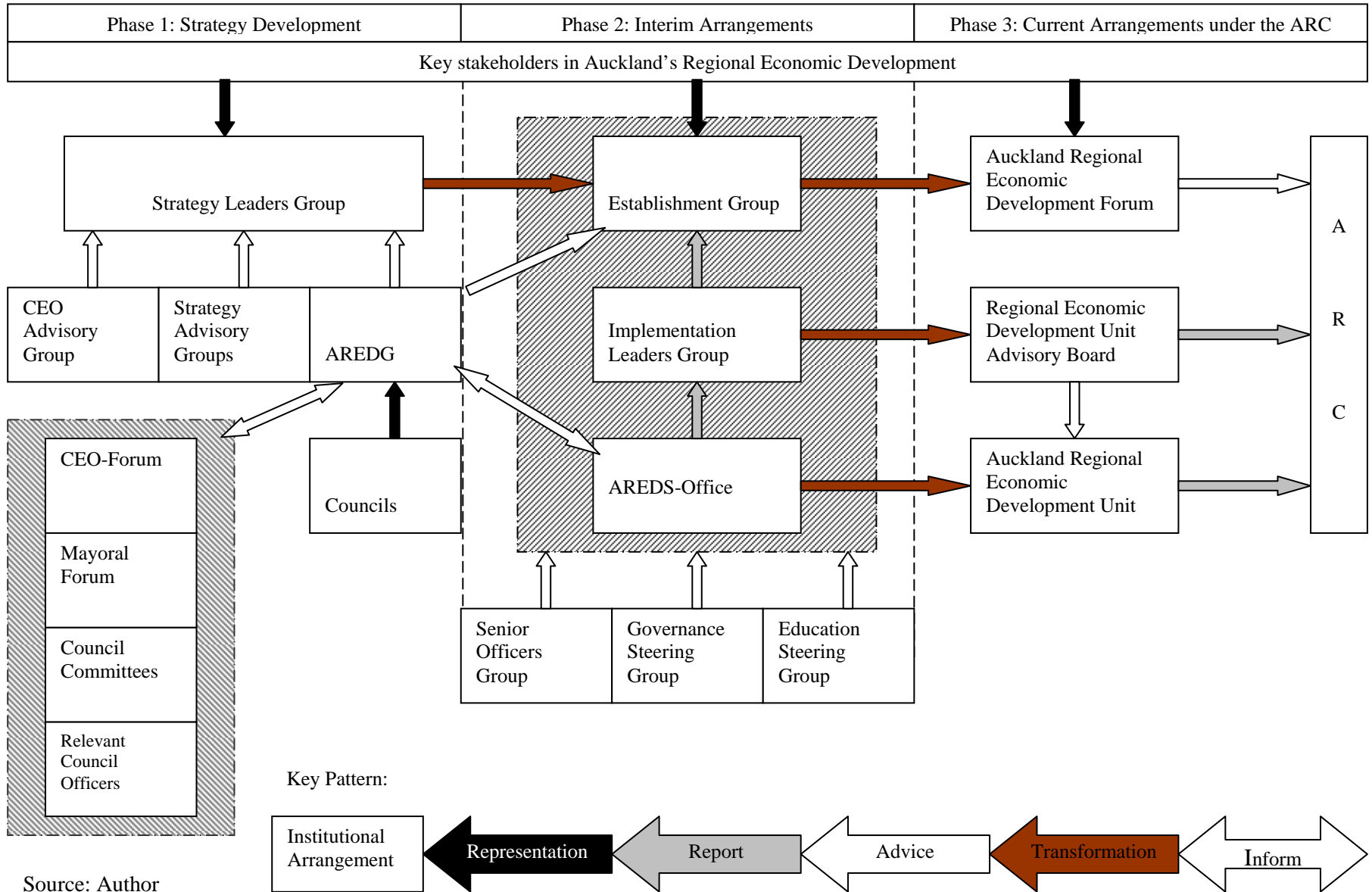
opportunities” (Informant 13, 2004). In contrast, today’s institutional framework for organising economic development policy on Auckland’s regional level consists of more

networked governance 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 re-emerged and gained momentum under the ARC-led 'Metro Auckland Project'. This initiative is designed "to improve the quality of the AREDS framework by advancing a platform for regional economic development in New Zealand's major metropolitan centre" (Metro Auckland Project, 2006a, 1). This project aims at bringing together local and international experts and leaders in regional economic development, and at developing a process for enhancing the economic drivers of the regional economy (ibid).

Figure 5-4 shows the multiple institutional arrangements, organisations and temporary structures that emerged under AREDS, and their evolution throughout the initiative. It highlights that 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 are changing over time. At any given time, they are constituted as a specific mix of hierarchical, contractual, advisory and communicative forms of relationships, conveying a sense of complexity. Networked and more hierarchical forms of governance are enmeshed in different ways. The institutional landscape of AREDS can be interpreted as a governing network and a set of power relations. In line with ANT approaches to questions of power, it can be argued that power is generated in a relational and distributed manner - albeit in asymmetrical fashion - within this network, and surfaces as effects on governance processes.

The choice to pursue a governance model that had been tested previously in a regional institutional context, as well as the construction of the process that led to this decision, highlights the importance of evolution and path-dependency in the trajectory of Auckland's regional economic governance (see Hodgson, 1993; Bathelt and Glueckler, 2000; Lambooy, 2002). It shows that the impact of historical structures and processes on today's decisions in governance arenas must be treated seriously (Bathelt and Glueckler, 2003). Ideas assuming "that economic and social processes are experience-based, cumulative, and reflexive in nature, [and] that they follow particular histories of decisions, actions, and their consequences" (134), have merit in Auckland's case. These evolutionary aspects of regional governance can be interpreted differently politically.

Figure 5-4: Institutional Multiplicity and Change under the AREDS Framework



Source: Author

While a regional institutional memory offers some stability in current decision-making (see Giddens, 1984), practitioners may be critical of the conservative nature of such influences in contexts where rapid adjustment is needed. As the chair of the AREDS implementation group points out:

[t]he institutional history of the region, the structural and organisational legacy, is very important [for AREDS]. It means a design of the agency on the back of past failures, rather than on observations and resembling models from overseas... We are trapped in a false consistency argument in the region. If you have a hammer, every problem looks like a nail. (Business leader, Informant 17, 2004)

The AREDS trajectory demonstrates that governing is expressed in a number of contingently formed ways. During the interim phase, it can be shown how governance in Auckland is contingent on past institutional designs that act as a reference point for current governing decisions. Furthermore, the survival of regional economic intervention planning 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. Importantly, the construction of the particular context for regional governance processes through central state policy and funding directions set the frame for contingency and evolution. It currently allows, and even encourages to a certain degree, institutional experimentation and creativity in search for better governance outcomes.

After its impact on AREDS, 'Competitive Auckland' renamed itself 'Committee for Auckland' in 2003. The new private sector, non-profit organisation aimed to "contribute to the economic, social and environmental wellbeing of New Zealand's largest urban area" (Committee for Auckland, 2006). This business initiative moved from an advocacy group to an initiative that now works with corporate and local state actors in Auckland by facilitating projects on economic and urban revitalisation. This institutional transformation signals a shift in wider policy discourse to issues of urban development, liveability and sustainability in New Zealand. It is also expressed in the emergence of new organisations such as GEUDO and urban design panels in Auckland. The transformed business initiative can be seen as part of an emerging third-party institutional infrastructure in Auckland - one which simultaneously pursues economic

and wider regional objectives - by acting as intermediaries between public and private sectors organisations.

Co-opting the 'Knowledge Wave' Initiative through the Central State in the GIF-Policy Framework

Besides RGF and AREDS, there has been another notable Auckland-based governing initiative that aimed at transforming the economy. The 'Knowledge Wave' was an advocate for the use of knowledge and innovation in economy and society, and lobbied in particular for state investments into the research, science and innovation sector. Low expenditure in R&D by New Zealand's public and private sectors compared with other OECD countries created the rationale for an attempt to influence the resetting of national policy and investment priorities in favour of perceived knowledge and innovation-rich activities. The project got traction quickly among mainly Auckland-based educators and business people. Making the link to business was not a difficult task. As one project participant recalls: "Business was behind it straight away; it was very easy to find common ground between education and research and the economy. They expected no sales return; for companies like Telecom, McKinsey, Deutsche Bank, Ernst & Young the future depends on the overall economy" (Project manager, Informant 45, 2003).

In contrast, engagement with the wider public was more difficult. In this context, a member of the project team states that:

...New Zealanders are pretty complacent and like to complain, for example, about our third world health system. They don't make the link between economic growth and the social and the environmental - their quality of life. The first Knowledge Wave was about how to make this link. An enormous task. We realised that we neither had the ability nor the mandate nor the money to influence the public. (Project manager, Informant 45, 2003)

Another reason for a lack of public connection might have been seen in the overall good economic times "so that the average person couldn't relate to the 'Knowledge Wave' goals" (Education leader, Informant 8, 2004). The second conference aimed to influence New Zealand's society more directly. With an emphasis on 'leadership', organisers wanted to take the debate and discussions into the communities (Project manager,

Informant 45, 2003). From a broader governance perspective, a central government policy adviser saw the 'Knowledge Wave' initiative as a project where

...business sought government action, government officials went and listened. Government was able to establish a dialogue. The most important thing which came out of it was the developing of a shared understanding of the respective roles of government and business. This provided the basis for the subsequent taskforces. (Informant 24, 2004)

From this perspective, the 'Knowledge Wave' can be seen as having contributed to new national policies in the form of the Growth and Innovation Framework (GIF) (DPMC, 2002). GIF has become the key policy umbrella which frames thinking on, and prioritises actions in, economic intervention in New Zealand's state-regulatory apparatus. It shifts emphasis to targeting particular sectors of the economy in order to develop a more globally connected and innovative economy in the hope of returning New Zealand to the top half of the OECD's GDP per capita tables (Schoellmann and Nischalke, 2005). Innovation in this regard is understood as the development of skills and talents, increasing global connectedness and focusing on innovation initiatives in those areas which can have maximum impact (DPMC, 2002). At Auckland's local level, the 'Knowledge Wave' also influenced thinking about the economy by co-hosting a seminar with internationally re-known expert on regional development Professor Richard Florida (see Chapter Six).

There were no direct institutional links between 'Competitive Auckland' and the 'Knowledge Wave'. However there were people links, as local business leaders Bridget Wickham, John Hood and Diane Robertson worked in both initiatives in key positions. There were also over-lapping sponsorships, such as in the case of Financiers JB Were, The Tindall Foundation and the University of Auckland. And finally, there were the "the aspirations of both that were close enough to come in contact with each other" (Local business leader, Informant 1, 2004). A project member of the 'Knowledge Wave' saw the link even stronger; he states that "Competitive Auckland' was like a mini-'Knowledge Wave' for Auckland. Principally the same issues were raised, but on a city-level. There are sympathies and synergies between the two" (Project manager, Informant 45, 2003).

The 'Knowledge Wave' project resulted in some interesting institutional off-springs. One - in line with the key theme of the second conference - is the Leadership Institute at the University of Auckland. Another new organisation that emerged is the 'New Zealand Institute' (see www.nzinstitute.org), a think-tank that advises government and other stakeholders on economic transformation issues. In this respect, the three-year long initiative became one of the sources and inspirations for the development of organisations that form a 'third party' institutional layer on the interface between public and private sectors in New Zealand. Finally, the first conference in 2001 can be associated with the creation of KEA, New Zealand's Expatriates network, which has aimed at helping the country economically by linking it into global leadership and resource networks (KEA, 2006).

Unlocking Central State Investment through a Public-Private Transport Policy Initiative

Another instance of public-private governance arrangements in Auckland that resulted in effects on central government policy and investment approaches is the work of ATAG, the Auckland Transport Action Group. This grouping of public and private leaders from organisations involved in Auckland's transport met and debated policy and investment issues over a period of 18 months under the leadership of the CEO of the ARC. As a result, it influenced central government's position on dealing with the issue of Auckland's under-funded transport infrastructure (Informant 43, 2004). The presentation of a united local interface in lobbying for public sector re-investments into Auckland resulted in 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).

In return, region-wide transport planning was corporatised. The Auckland Regional Transport Authority (ARTA/see ARTA, 2006) replaced previous voluntary collaborative structures in transport planning that increasingly proved difficult to arrive at decisions. The governance actors of the region also have had to further coordinate their policy approaches. As one local government manager explains: "...one of the tags for the central government transport money is the coordination between transport and land-use. If central government spends so much money, they want to be certain that it serves a certain land-use" (Local government manager, Informant 15, 2004).

This example shows the increasing acceptance within central government of the particularity of Auckland as a place of governance and investment in New Zealand if local governing arrangements represent the region as unified and integrated. In this case, ATAG as a collaborative arrangement of multiple local public and private actors who had a stake in Auckland's transport sector, successfully lobbied for central government investment changes. Fund's being unlocked through collaborative action by local actors can be interpreted as another dimension of changed relationships between central government and local governing interests in Auckland.

In conclusion to this section, Table 5-2 provides an overview of governance arrangements that have emerged in, or affected, Auckland's regional development over the last decade. As illustrated by the increasing number of organisational structures that span over two or more columns, they are likely to take on the form of networks between agents from various institutional spheres. The AREDS initiative for example brings

Table 5-2: Recent Governing Arrangements Affecting Regional and Economic Processes in Auckland

<i>Year</i>	<i>Local State</i>	<i>Business/ Non-Government Interests</i>	<i>Central State</i>
Early/Mid 1990's	Mayoral Forum, CEO-Forum, Regional Land Transport Strategy		
1997	Watercare		
1998	Infrastructure Auckland		
1999	Regional Growth Forum		Minister for Auckland
2000			Ministry of Economic Development Industry New Zealand
2001	Auckland Regional Economic Development Group	'Competitive Auckland'; 'Knowledge Wave'	'Joined-Up Government', Regional Partnership Program
2002	Auckland Regional Economic Development Strategy		
			Growth and Innovation Framework Tertiary Education Commission
	Auckland Regional Economic Development Strategy – Interim		
2003	Auckland Transport Action Group		New Zealand Trade and Enterprise
	Senior Officer Group	'Committee for Auckland'	
2004	Auckland Regional Holdings Auckland Regional Transport Authority		
2005	Auckland Regional Economic Development Forum Auckland Regional Economic Development Unit		Government Economic and Urban Development Office in Auckland
2006	The Metropolitan Auckland Project		

Source: Author

together actors from all three governing levels; central state, local state as well as local business and non-government interests. It can be argued that recent regional networked governing arrangements have proliferated, highlighting interdependencies between actors in regards to possession of, and access to, governing resources. The next section outlines this theme in more detail.

The 'Why' and 'How' of Engagement: Assemblage of Governing Resources through Networking Practices

Public-Private Resource Interdependencies and the Assemblage of Policy Knowledges

The term governance denotes that fact that modern societies and economies are becoming more interdependent. This trend means that intervention increasingly relies on access to, and working with, governing resources that are distributed among a range of disparate actors. Thus, the exploration of such resource interdependencies in regional initiatives such as AREDS and the RGF, and how they affected their institutional trajectories, adds to the analytical depth of this investigation. Key resources such as money, political mandate, knowledge and expertise, people and skills, as well as access to leader- and resource networks can all be seen as the building blocks governing initiatives are made of. These are always asymmetrically distributed within governing networks. Thus, they require actors to engage in order to gain access to resources they do not possess themselves. From a different perspective, unequal possession of governing resources leads to complex webs of shifting power relations among actors.

AREDS with its wide-ranging actor and policy scope is a good example to unpack the issue of interdependent governing resources. Under this 'partnership' engagement model, different resources were accessed through, and contributed by, different actors. For example, funding was mainly provided from state actors, largely from central government, and in form of either funding or in-kind contributions from local government. Political mandate was largely constructed in relation to local stake holder coalitions as AREDS was 'owned' by key regional constituents represented in the SLG. Particular knowledges were often accessible through private sector consultants, local academics and purpose-built advisory groups. A range of key resources were of an embodied nature. These include some forms of knowledge, wider skills necessary to perform in a governance project such as facilitation, communication, presentation and

project managing, as well as access to other resource networks. In this context, the assemblages of key people in leadership teams, project teams, advisory and steering groups were essential to constituting AREDS.

The resource 'funding' is particularly important in the workings of a governing initiative, yet it is a problematic issue. Under neoliberal conditions, funding is constrained by a largely conservative stance of state interests to public spending. Furthermore, funding is linked to high levels of accountability that hinder their flexible use and make it more difficult to reshuffle funds. Hence, in-kind contributions in form of seconding people or contributing office space and equipment are often seen as a better way of resourcing initiatives, particularly in local government. From a private sector perspective, New Zealand's businesses are often small or medium-sized with no available resources to contribute to public-private governing initiatives. These trends create conditions of relative money scarcity in current intervention models, in particular in comparison with places such as the USA and Australia (Informant 40, 2004). These factors in turn, and in line with theoretical arguments in the international literatures concerning the role of human and social capital in influencing change, put a premium on knowledge ('doing the right thing'), people ('having the right person on board'), and relationships (enabling access to further governing resources).

The AREDS intervention raised the need for generating accurate knowledges on economic and non-economic processes involving actors and activities in Auckland (see Table 5-3 for an overview). Resource interdependencies between governing actors, in particular those between public and private sectors, became particularly visible in this area of policy knowledge production. Under AREDS, a mix of locally and globally constructed knowledges was produced. The former were mobilised through a range of locally framed processes incorporating consultants such as Market Economics, local face-to-face processes for knowledge exchange such as AREDS advisory groups, wider workshops with stakeholders in form of public fora and 'behind-the-scene' 'brainstorming' sessions. The latter were created mainly through the work of globally operating consultants such as Boston Consulting, and through the contributions of well-known international experts on urban and regional development such as Professor Michael Luger (Luger, 2003) as guest speakers to local audiences.

Table 5-3: Knowledge on Economic and Regional Processes Produced for AREDS

<i>Date</i>	<i>Title</i>	<i>Author</i>
August 2001	Phase 4 Report Preparation for Implementation	Competitive Auckland
October 2001	Auckland Regional Economic Development Strategy: A Framework for Moving Forward	Andersen Business Consulting
November 2001	The Auckland Region's Economy: A Stock-take Report	Catherine Syme, Synchro Consulting
May 2002	Skills Assessment Project	Paul Chalmers and Erling Rasmussen
May 2002	Linkages Within and Between Economies	Market Economics
May 2002	Employment and Firms in the Auckland Region	Charles Crothers, Institute of Public Policy, Auckland University of Technology
May 2002	New Zealand Small and Medium-Sized Enterprises: Annotated Bibliography, Key Findings and Recommendations for Research and Policy	Dr Heather Wilson, Department of International Business, The University of Auckland
June 2002	Overview of Economic Development Support Activities in the Auckland Region	Sharon Stannard
June 2002	Economic Sector Assessment	NZ Institute of Economic Research
July 2002	Measures and Benchmarking	NZ Institute of Economic Research
September 2002	Evaluation Framework and Scenarios	Market Economics
March 2003	Export Cluster Criteria Identification	Market Economics
October 2003	Enhancing Economic Development: Best Practices Applied to the Auckland Region	Prof Michael Luger, University of North Carolina
November 2003	Monitoring and Benchmarking Framework – Technical Report	Carole Canler, Auckland Regional Council
December 2004	Cluster Methodology	Prof Michael Luger, University of North Carolina
December 2004	Connecting Economic Development and Land Use – Where the Cluster Meets the Road	Prof Michael Luger, University of North Carolina

Source: Capital Strategy Limited, 2006 (Summary Paper for the Metropolitan Auckland Project)

Key sites for enrolling and producing expertise had been the ARC and 'Competitive Auckland'. Many local consultancies and experts produced indispensable pieces of research which were commissioned, prepared for discussion and further customised for decision-making by the Manager of the ARC's Socio-Economic Group. 'Competitive Auckland' contributed research that was widely perceived as robust and well-crafted through the Boston Consulting Group (BCG, 2001). They produced a far-reaching international comparative analysis, assembled benchmarking information and case studies in order to re-think local economic problems. These pieces of knowledge were consequently used within AREDS to shape strategy design and assess implementation scenarios (Personal observation, 2003). Work of private sector consultancy Andersen Consulting on a 'Balanced Scorecard' approach to economic development in Auckland

(Andersen Business Consulting, 2001; Figure 6-1) was used as a basis for work in the ARC to develop strategic indicators. Importantly, both - public and private sector organisations - were co-dependent in accessing knowledges necessary to drive the initiative forward.

As AREDS can be seen as a response to globalising economic processes, so too can be the incorporation of globally sourced and produced knowledges into policy making. 'Competitive Auckland's research on international best-practice in economic development and their global benchmarking provided a base for comparing Auckland's economy with other places thought comparable. Subsequently, this research contributed to the identification of local economic and institutional problems that needed fixing through intervention. This form of knowledge creation proves that the production, diffusion and absorption of knowledge has moved from highly localised centres of production and application to much wider patterns of national and international generation (Howells, 2000). In this context, actors such as management consultants could be viewed as specialising in the replacement of local knowledges with forms of international systematic knowledge (Bryson, 2000). Such systematic knowledge is said to be more portable (space-binding) than local knowledge (time-binding), and may be deemed to be more legitimate. It is argued that space-binding knowledges are increasingly over-writing local knowledges, or at least combining with local knowledges, to produce a different combination of local and systematic knowledge in each country and business organisation (Jacques, 1996, in Bryson, 2000).

Knowledge generation processes under AREDS can be conceptualised as an actor-network in action. People in the Auckland office of Boston Consulting were connected and interacted with other global offices of this firm through phone, fax and computer. Local face-to-face meetings and project 'brain-storming' sessions facilitated the development and refinement of the knowledge generation process (Informant 18, 2004). Artefacts such as texts, tables, figures and papers served to present and represent the knowledges in adequate ways. These findings verify Bryson's (2000) comment that knowledge flowing through space is made up of the activities of key individuals, managers and consultants as well as a series of texts. It also highlights the increasing importance of ICT's that have a profound effect on the generation, distribution and exploitation of knowledge (David and Foray, 1995).

A key actor in mediating and producing policy knowledges under AREDS was the 'consultant'. According to Bloomfield and Best (1994), knowledge generation in a consultancy context can be seen as a process of translation: solutions are not simply matched to problems but the latter rather redefined (translated) in terms of existing solutions (Bryson, 2000). Thrift (1997) argues that management consultants - besides business schools and management gurus - are the chief actors constituting a machine for producing and disseminating knowledge to business elites that he labels the 'cultural circuit of capital'. The work of those actors as intermediaries in policy knowledge generation processes has become more important in New Zealand in recent years under emerging evidence-based policy practices. However, this trend has also invited some critical comment. For example, a manager of a national body of economic development practitioners remarked that "[c]onsultants may not necessarily be the right link between the public and the private sector, because in many cases consultants move in and move out of a sector without a sense of ownership of this sector, they don't provide sustainability" (Informant 26, 2004).

Another key actor in the production of policy knowledges under AREDS and other governing initiatives was the 'strategic broker'. This term can be used to describe the facilitators and mediators involved in the production of representations on economic, regional and governance processes, and of work on how to influence actors to act differently based on these knowledges. AREDS workshops, for example, involved professionals in communication and teamwork in order to generate ideas from stakeholders. The 'Knowledge Wave' initiative invited celebrity guest speakers from academic and policy backgrounds to construct particular versions of what a knowledge economy or society means for people and places. These findings confirm McLennan and Osborne's (2003) claim that in contemporary informational capitalism, ideas work not mechanistically top-down from social scientific research to the policy consumer, but they "operate increasingly in the form of vehicular ideas, and the intellectuals who sponsor and broker them seem more like mediators" (65). In the contemporary governance context, vehicular ideas can be understood as practical knowledges that mobilise actors and resources. In this sense they are designed as problem-solving devices deployed by governance interests, as "something that will simply 'move things along' and take us from A to B" (53).

People, Networks, Representations

Individuals and their personal attributes have been important factors in the shaping of regional governing initiatives. They contributed through qualities such as proactivity, knowledge, personal commitment, individual responsibility and risk-taking. There were eight people who worked across at least two of the public-private initiatives of 'Competitive Auckland', AREDS and the 'Knowledge Wave' in a variety of roles such as chair, director, trustee, advisor or patron. These people came from different organisational and professional backgrounds including education management, land and infrastructure development, management consultancy and the corporate sector. However, given the large number of people who were enrolled in those governing arrangements, eight people participating in multiple initiatives is a relatively small group. Within AREDS, some key leaders and politicians have been more influential than others, such as the chair and the mayor of Manukau. At officer level too, individuals such as the ARC Socio-Economic Group manager played an important role. But overall, governing in the Auckland context may be less about individuals per se, but rather about networked resources including people networks.

An overview of the changing compositions of regional economic development governance entities shows that the participation of individuals frequently changes (see Table 5-4). In fact, only Michael Barnett is re-appearing in a leadership position. At a political level of the RGF initiative, three out of ten people had represented their councils over a five year period, in another three cases representation changed once, and in another four cases twice. These patterns demonstrate the varying degree of how individuals remain involved in a particular policy area and position. This analysis can be confirmed by interrogating the changing composition of steering and support groups on officer level in both, AREDS and RGF initiatives. Some names re-appear - sometimes after a gap of a couple of years - and new names occur frequently. It shows that on both - political and administrative levels - people change their positions relatively often. These findings may be partly explained with job 'churning' tendencies in Auckland and New Zealand (ARC, 2002a).

An important empirical step is the test of the assumption that governing is constituted in networks. In the leadership of regional governance initiatives, it seems that people networks play some role. 'Competitive Auckland' and 'Knowledge Wave' members

Table 5-4: Changing Individual Representation in Regional Economic Development Governing Arrangements

<i>Name</i>	<i>Organisation</i>	<i>Name</i>	<i>Organisation</i>	<i>Name</i>	<i>Organisation/ Field</i>
<i>SLG in 2001</i>		<i>AREDS in 2003</i>		<i>AREDF in 2006</i>	
Peter Menzies	Independent	Chairperson Gwen Bull	Auckland Regional Council	Michael Barnett	Auckland Regional Council
Bridget Wickham	University of Auckland	Councillor Mark Donnelly	Auckland City Council	Craig Little	Auckland Regional Council
David McConnell	Competitive Auckland	Mayor John Law	Rodney District Council	Dianne Hale	Local Councils
David Tapper	Competitive Auckland	Councillor Michael Barnett	Auckland Regional Council	Sandi Morrison	Economic Development Agencies
Ian Watson	Massey University	Councillor Ian Bradley	Auckland Regional Council	Ross Peat	Business
Sandi Morrison	Reg. ED agencies	Councillor Felicity Auva'a	Papakura District Council	Ian Shirley	Education and Skills
Grant Taylor	Auckland City Council	Bill Simpson	Maori Representative	Michael Wood	Labour Organisations
Jo Brosnahan	Auckland Regional Council	Gene Potae	Maori Representative	Daryl Jeffery	Infrastructure Providers
Diane Robertson	Auckland City Mission	Councillor Steve Bayliss	Papakura District Council	Doug Heffernan	Maori
Aroha Hudson	Maori	Councillor Kevin Birch	Franklin District Council	Uluomato otua S. Aiono	Pacific people
Moses Armstrong	Maori Business Network	Councillor Anne Fenton	Waitakere City Council		
Pauline Kingi	Te Puni Kokiri	Deputy Mayor Carolynne Stone	Waitakere City Council		
Pauline Winter	Pacific Business Trust	Deputy Mayor Bill Smith	Rodney District Council		
Kit Wong	Migrant groups	Councillor Andrew Williams	North Shore City Council		
		Deputy Mayor Diane Hale	North Shore City Council		
		Mayor, Sir Barry Curtis	Manukau City Council		
		Councillor Bob Wichman	Manukau City Council		
		Councillor Scott Milne	Auckland City Council		
		Councillor Neil Morrison	Manukau City Council		

Source: Author

knew each other more indirectly, and were rather bound together by common concerns (Du Chateau, 2001). In other cases, previous business dealings and resulting

connections played a role in the constitution of governance initiatives. Under AREDS, some of the participants had worked with each other in other activities. For example, the chair “was well known to the ACC as a director of the Aotea Centre and other activities he had undertaken on behalf of the council” (AREDS chair, Informant 21, 2004), and consultants who had previously worked for the ARC were re-commissioned (Personal observation, 2002). In the ‘Knowledge Wave’ initiative, Vice-chancellor’s John Hood’s networks from the days of leading the Fletcher Corporation proved instrumental for forging new governing networks.

There may be grounds to assume that some forms of policy networks are influential in Auckland’s economic governance. However, in contrast to the UK context where the idea of policy networks was developed, it seems that in a local context there is only limited explanatory value in this model. While the first phase in AREDS might be seen as what Marsh and Rhodes (1992) call an issue network, and the interim phase may resemble an intergovernmental network, overall, policy network dimensions in Auckland’s regional policy world seem less important in explaining governance arrangements than in the UK. This could partly be an outcome of the comprehensive political-economic reforms in New Zealand, with their emphasis on public accountability and contractual arrangements between actors. It could also be related to the current institutional ‘climate’ that demands constant adaptability and re-positioning from people. The reasons may also lie in New Zealand’s individual culture that shows less propensity to form strong networks. In sum, network influences play a lesser role in Auckland’s economic governance than may be anticipated.

The issue of actor representation has been an important and not unproblematic area of governing in Auckland. Increasingly, regional governance is understood as dealing with a range of overlapping and imagined communities rather than a homogenous group of territorially bound individuals and businesses (ARC, 2002b). This heterogeneity is expressed in a proliferating number of institutions and organisations in Auckland’s political-economic space. Therefore, processes of governance entail difficult issues of representation. From a larger perspective, a key question that arises is who represents whom? On a discursive level, AREDS is constructed as a partnership of actors in need of representation. In the first project stage, the SLG constituted a network of particular interests such as those assembled from ‘Competitive Auckland’, the education sector

and local government. In the interim phase, a group of largely local government representatives became the key governing entity overseeing the work of a business focused executive arm. In the current phase, representation consists of a wider mix of actors that is in some ways similar to the first phase. But while at any given time some interests are represented, many are absent. Governance then is about the problematic issue of representing broader and shifting actor networks within networks that are themselves subject to constant transformation.

Representation practices differ between public and private sector-led initiatives. In the former institutional sphere, representation is a key ingredient of democratic processes, but people representing organisations may not be the right people (Local government manager, Informant 36, 2004). They may not be senior enough to have strong influence in their respective organisations, or may lack personal commitment to the initiative. As a result, one increasingly seeks the 'champion' who can, and is willing to, directly influence resource decisions (ibid). Among the latter actors, it is usually more about enrolling particularly powerful interests that can add value to the expansionary force of an initiative. But representation can be equally a vital factor there too. For example, the participation of one leader in the 'Knowledge Wave' project eventuated because "they were looking for a social role to be filled" (Informant 4, 2004). This is a fact that also reveals an important aspect of the nature of current interventions, which are designed to be inclusive in their representation rather than excluding, or dividing.

In every day practice however, actor representations are less clear-cut and often more messy. AREDS processes showed that - frequently - actors stayed absent in meetings, came late or left early. For example, in the CEO advisory group and the education steering group meetings were not always all invited actors present. Sometimes, they were represented through other people, such as lower tier executive of the same organisation (Personal observation, 2002). Often these contingent influences had to be dealt with on a rather pragmatic and flexible basis, creating some space for improvisation and process innovation.

One of the key problems with representation in current governance arrangements is the issue of communication between the representatives and the represented. This is increasingly difficult to achieve in a multitude of constantly shifting and overlapping

communities and networks where the edges are fussy and representation linkages are difficult to understand. This causes insider-outsider dichotomies, where participants of governing initiatives comprehend issues while the interests represented by them cannot understand the problems under question. The latter are often not even aware of initiatives, as a range of informants expressed a feeling that projects such as AREDS may mean not much to 'people on the street'.

Finally, state personnel played a key role in Auckland's re-worked economic governance, and were affected by it. Some local state officers had to be prepared to accept secondments to the AREDS project team in order to participate, which meant a changing workplace, a different work environment and new administrative procedures. Equally challenging was the splitting of attention and time for managers who supervised officer teams in their home organisations, while they worked at the same time for AREDS. In at least one case this had negative implications for the manager's annual work performance evaluation (Personal observation, 2002). These findings refer to the 'adaptability' of state personnel as an important contributory factor in the successful 'bedding down' of new state institutions, as "...on one level, it behoves them to participate in the evolution of new working practices, strategies, and policies. At the same time, staff themselves has the potential to be affected by the institutional framework within which they work" (Jones *et al.*, 2004, 97).

Governing Practices, or how Resources are 'assembled'

A key role in assembling governing resources is played by associative practices such as leadership, networking and project management. Leadership played a not insignificant role in the AREDS project, but it was far from being unproblematic. Individuals such as the AREDS chair in the early stage, and the chair of the Establishment Group during the AREDS interim phase, contributed to this project through their personal commitment, the influence they have and the respect they enjoy in Auckland's business and civic communities. But it was also felt among participants that overall leadership had been missing. Some criticism concerned the lack of involvement of central government, and in particular New Zealand's Prime Minister (Informant 2, 2004). In the case of the CEO of the AREDS interim office, individual leadership - but without the possession of an adequate mandate, funding resources and without a visible personal track record of working in and with local and regional institutions - was largely rejected by incumbent

actors. More theoretically, the overall AREDS experience shows that leadership is best understood as a distributed responsibility, enacted in many sites, by many people, in alliances between people and in people networks - all of which contributed in multiple ways to the overall progress of this governing initiative.

Networking was important in achieving coordination in AREDS. Relationship building at top leadership level was a crucial factor as key leaders from government, business, community, education and from Maori and Pacific Islander communities met regularly in the formal environment of the SLG to debate often quite controversial issues. But influential discussion happened not only in formal settings, but were often conducted in informal, sometimes 'behind the scenes' settings. Such talks, for example, took place between the SLG chair and influential stakeholders such as the leaders of local EDA's and mayors of cities and districts within the Auckland region (Personal observation, 2002). In AREDS policy development processes too, actor networking was the basis for bringing people together in work streams, advisory panels and steering groups. But networking also played a role in arriving at governance decisions at the officer level. For example, connections between officers of various government bodies were sometimes made over a quick hot drink in a local café. This practice provided the chance to re-visit unresolved policy issues, to fine tune administrative processes and to prepare new meeting agendas (Personal observation, 2002). More generally, those 'below-high-level connections' were particularly useful "in ironing out any difficulties in regards to the delineation of spheres of interest and policy responsibilities between institutions" (Jones *et al.*, 2004, 102), and in doing so, opened doors for the "growth of a consensual approach between institutions" (99).

Networking was supported by the use of modern ICT's. Indeed, databases compiling the names and contact details of people and organisations, the use of research databases and email and internet connections were vital in making contact and developing relationships between actors. In the AREDS interim phase, a monthly newsletter was distributed to interested parties. But despite proliferating electronic mediation of communication, face-to-face contact played a crucial role in networking, in particular in political negotiation and in public fora. For example, the members of the 'Knowledge Wave' initiative engaged most of the time by e-mail and phone calls, but also met over a coffee (Du Chateau, 2001). The latter observation confirms Storper and Venables'

(2004) claim about face-to-face communication being central to the coordination of the economy, and one might add, the political economy.

Finally there was also institutional networking (Jessop, 1997) between organisations involved in AREDS. For example, factions of the three large councils - ARC, ACC and MCC - would frequently coordinate their work and negotiate their resource contributions. The same is true for the institutional relationship between AREDG and INZ in the beginning, and AREDS and MED as well as NZTE later in the process. Through this form of engagement, inter-organisational differences would be reduced, and a broader steering process towards better aligned regional governance would be lubricated.

Project management practices also contributed to the day-to-day reproduction of governing initiatives. In this context, AREDS can be understood as a series of temporary projects. The organisation and coordination of political-economic work in 'project environments' achieved stability of expectations and reduced risk. This notion refers to the interrelation between 'temporary projects' and on one hand, and the permanent organisations, ties and networks around which they are built on the other (see Grabher, 2001). For example, in the strategy development stage people for the AREDS project team were largely seconded from local councils, while office space and technical equipment was provided by the ACC. In this context, people's reputation was largely based on the affiliation with their home organisations. Thus, trust was not easily achieved, resulting in controversial discussions especially in the beginning of the project. The home councils also acted as important sources of information in the form of available reports, contact details or people to talk too. On occasions, people even worked in their home institutions while being at the same time involved in the AREDS processes (Personal observation, 2002).

A key influence that gave structure to the project, and provided actors with clearer expectations, was the use of proper project management techniques. This was not surprising as the leader of the AREDS project team in the strategy development stage had been a trained accountant. The funding arrangements determined a tightly planned time table of processes and events and a particular division of labour. A range of systems had been set up to make this project plan manageable and intelligible. This

included a project chart with multiple milestones, clearly defined tasks with deadlines and reporting mechanisms on a regular basis, weekly meetings of the project team, as well as an electronic system that allowed people to suggest improvements to the management process. While not tension free, this work environment provided a remarkably efficient setting for solving the problem of skilled people working on a complex task over a limited period of time (Goodman and Goodman, 1976, in Grabher, 2001). Overall, the AREDS project experience resembled more of a corporate work environment than what one would expect from a public sector-led multi actor initiative.

A key role in the assemblage of governing interests was played by performances. AREDS came into being because of a multitude of performances, which included public fora, media statements, oral and power point presentations, discussions, workshops and talks, phone calls and faxes, photocopying and downloading information from the internet. Performative practices also encompassed facilitation of meetings and workshops, selling and marketing of work to achieve 'stakeholders buy-in', and many more mundane tasks and routines that needed to be performed on a daily basis. The 'Knowledge Wave' project was built entirely on the foundation of two public conferences with invited high-profile guest speakers and high visibility in the media. 'Competitive Auckland' paid particular attention to a well-rounded media campaign to create and keep up visibility among the public. These findings validate the recent preoccupation with performances and performativity in the constitution of social life in a number of literatures (see for example Thrift, 1996, for a geographical interpretation).

The central state policy approach of co-funding can be understood as another practice to assemblage actors and resources, and to induce some cooperation and collaboration among stakeholders in Auckland. It was used for example in the RPP under NZTE. It offers actors access to expertise, money and networks if they contribute a certain amount of resources themselves. Under AREDS for example, conditions attached to accessing central state funds included - besides a risk-benefit test for the proposed initiatives, building links to other local actors and central government agencies and iwi involvement - a regional financial contribution of around thirty percent (MED, 2003c). Co-funding incentives in the AREDS context, however, had only limited success as it proved hard to mobilise private sector actors and their financial resources.

A Relational Account of Auckland's Economic Governance

Assembled Economic Governance, Co-constitutions and Contingencies

Recent interventions into the course of Auckland's economy raise the question whether they are managed processes, or rather constitute a set of re-alignments. In reflection, some management dimensions are evident. Some people remain within leadership or bureaucratic structures over longer periods of time and are so able to exert influence on governing projects. Some strong relationships between people or organisations may contribute to the (re)production of governing activities. Informal institutional arrangements such as steering groups may continue for years and produce a relatively stable environment for governing. On the other hand, there are frequent intersections and interactions of governing processes, strategies and tactics that are expressed in profound institutional proliferation and a complex array of changing relationships. Furthermore, the fact that people change, or have to change their positions within governing bodies relatively frequently in addition to the rapid re-engineering of the institutional arrangements themselves, gives weight to the hypothesis that economic governance in Auckland can be understood as the sum of re-alignments in different sites, rather than of managed processes.

From a wider perspective, AREDS leadership processes can be understood as a series of enveloped processes in which one series of processes constructs the context for a range of other processes in different institutional settings and at different geographical scales. A nationally constructed partnership process for economic intervention on a regional scale is the context for the temporary engagement of particular local interests that emerge under contingent conditions in particular settings independent of each other. The engagement process itself is a product of interpretations of what partnership means to particular actors, political considerations and resource interdependencies. Changes in the context, such as the turn to an exclusive support of GIF-industries through NZTE, has a profound influence on regional governing trajectories as ruptures occur and political struggles result. This complexity and interdependence of governing influences, as well as the constructedness of context, means that in Auckland, governing can be less understood as a managed process, but rather as a series of re-alignments of actors, strategies and processes. In this context, institutional experimenting such as partnerships in general, and AREDS in particular, promises to be an important governmental strategy

in order to allow re-alignments to occur. This reading of what constitutes governance confirms Larner *et al.*'s (2005) claim about the pragmatic and experimental aspects of the current political moment.

The RGF too can be understood as a set of partly managed governance processes which require multiple alignments of interests around key issues and influences. These issues include highly political topics such as the 'leaky building syndrome', a systemic design problem with newly built houses that often affected new intensification housing developments. They are also constituted by wider migration patterns that influence the level of political traction of land-use and transport issues in the region. The philosophical stances of elected leaders and senior policy personnel also play a role in the progress of this initiative (Personal observation, 2006). In regards to the latter, the changing election of leaders and the varying appointment of senior staff into positions that can drive the RGF forward led to an up- and downward movement of leadership within regional state organisations and networks at different points in time. Key to a continuation of this policy project however are 'strategic alignments, shared interpretations and mutual path dependencies' (Larner *et al.*, 2005) between fragmented and partly contradictory state interests.

The recent initiatives can also be interpreted as part of networked and assembled economic governance in Auckland. AREDS can be understood as a networked governance arrangement involving central state, local state and business interdependencies. These actor networks brought a particular mix of resources to this initiative: the central state used legislative and policy-based funding powers, the local state as the main implementer contributed office space, project management support and operational resources, and business added value through particular business relevant knowledges as well as access to business leader networks. This type of governance can be perceived differently to past regional arrangements as "AREDS is much more a network thing in contrast to the Regional Growth Forum that is much more of a hierarchical thing (Local government manager, Informant 44, 2004).

AREDS is assembled; as different spaces, subjects, strategies and knowledges are put together contingently 'on the move' to achieve governance effects. It is not the institutional expression of a single and uniform rolled-out governance process. The

assemblage of governing resources in an urban-regional space of economic management under specific condition of a central state framed engagement process involves subjects such as the visionary leader, seconded officer, the champion, facilitator of events and workshops and the consultant, pieced together with strategic components such as workshops, fora, research, political processes, networking, project management and media campaigns as well as knowledges, figures, diagrams, numbers, benchmarks and milestones to produce yet to determined effects on governing domains. In this context AREDS resembles Larner's (2001) call centre initiative about which she commented that

...it was through debates and deliberations over how to achieve the goal of international competitiveness that the new form of governance was 'assembled'. This assemblage is the locus of many different kinds of knowledge including not only that of government officials, but also industry participants, regional actors, consultants, and technical specialists. (Larner, 2001, 306)

The fate and the impact of these governing initiatives cannot be determined from the outset. Rather, the AREDS trajectory demonstrates that governing is expressed in a number of contingently formed ways. Overall, contingent governing depended on particular circumstances and context. It was influenced by path-dependencies such as past institutional designs that act as reference point for current governing decisions as in the AREDS interim stage, strategic alignments such as in NZTE, encounters such as chance meetings of people in steering groups, particular constellations of various institutional and policy processes involving people and resources such as in the MCC case in the context of the AREDS-implementation work stream, and the quality of interpersonal and inter-institutional relationships. Contingency also includes regional institutional learning without which the institutional survival of regional economic intervention planning under the ARC would not have been possible. From a researcher's perspective, the illumination of governance contingencies always requires the identification of transformative action in space and time, as well as the description of the particular conditions under which they became possible.

Finally, I argue that Auckland's economic governance is co-constituted. In the post-restructuring period, new political projects began to emerge under the hegemonic project of neoliberal reform in the form of globalisation, the knowledge economy,

sustainability, and later partnership and regional development. These projects, each grounded in a particular understanding of economic and governance processes, evolve over time, intersect with each other and create new hybrid forms in the process. In particular sites and moments, these changing political discursive formations have material effects, and find specific institutional expressions, in politicised projects and governing initiatives such as RGF, 'Competitive Auckland' and NZTE, the 'Knowledge Wave' initiative, AREDS and the Metro Project in the Auckland case. In these institutional and relational arenas, resources are assembled in particular alignments of interests that may have expansionary effects on economic processes. For example, particular local state actors such as Auckland's councils but also autonomously mobilised business networks such as 'Competitive Auckland' and the 'Knowledge Wave' initiatives served as important co-producers of central state governing processes and ambitions that seek to transform the Auckland economy towards increasing global integration and innovation-rich activities. Thus, under globalising conditions and in a neoliberal political-economic environment in New Zealand, the governance of regional economic processes and the management of its wider effects on non-economic spheres and relations can be understood as the outcome of co-constituted political projects.

Making and Missing Connections: Sub-optimal Engagement with the Private Sector and Encouraging Engagement with Non-business Regional Interests under a Partnership Model

Don't underestimate the engagement side. You can have the best strategy in the world, but if you don't take people along, it's worth nothing. (Local government manager, Informant 14a, 2004)

From a relational perspective, a possible way to evaluate the success or failure of networked governance arrangements is to examine the number and the depth of connections made between key actors. Under AREDS, a particular faction of the local business community largely consisting of local development and associated interests was involved in the form of 'Competitive Auckland'. Engagement with the more traditional business institutions such the regional Chamber of Commerce and the Employer and Manufacturer's association however, can be assessed as sub-optimal. One business leader involved in 'Competitive Auckland' complained about the role of these organisations as being largely service providers to their constituents, while "they don't ask how we can grow industry" (Informant 7, 2004).

Overall it was felt that “business involvement in the strategy development wasn’t as substantial as we would have wished” (AREDS chair, Informant 21, 2004). Connections to the corporate world were largely absent. Educational institutions, in particular the Auckland universities, were involved through individual representation. However, during the implementation stage it became apparent how fragmented, competitive and combative the tertiary education providers were after many years of industry development under neoliberal conditions. From a central state perspective too, the relationship of AREDS and business was seen as rather disappointing, for Auckland “has very little private sector involvement” (Central government agency manager, Informant 28, 2004). One possible explanation for the general lack of business input into the strategy was provided by a local council manager: “Business doesn’t see the need for a strategy, they haven’t got the time for all the politics involved. They execute. Business is very keen, but time poor” (Local government manager, Informant 6, 2004).

In the AREDS-interim phase, particular business interests became strategically enrolled. The AREDS chair saw “the beginnings of business and government working together in the film project and in the broadband initiative” (Informant 21, 2004). These industries are part of central government’s GIF-framework that sponsors the creative industries, the ICT industry and the Biotechnology sector. As the AREDS project progressed down the MRI-track, industry engagement also focused on tourism and the food and beverage industries with the aim of actively facilitating the growth of export firms and networks. The job-strong, domestically focused service sector incorporating many SME’s for example, or the property and financial services industries which experienced the highest growth rates in the Auckland economy over the course of the 1990’s, were not considered a subject of connection-making.

Overall, given the ambition of AREDS to alter the flight path of Auckland’s regional economy, it had surprisingly few connections to the investment community in private and public sectors. Close observers from within the AREDS project and the business community readily admit that despite new institutional arrangements, “there is no investment change on the ground” (Business leader, Informant 7, 2004). The same can be said for the work of ‘Competitive Auckland’. The current chair of ‘Committee for Auckland’ points out that this initiative did not affect investment decisions (Business leader, Informant 19, 2004). The CEO’s of the big infrastructure providers and land

developers Auckland International Airport and Ports of Auckland, too, state that their organisations were not directly affected by the work of AREDS (Informants 42 and 43, 2004). Equally, no bundles of small investors were mobilised in any significant way. Recently however, some connections between AREDS and large investors in form of the 30 biggest firms in Auckland has been made, as the former approached these organisations in order to better understand business location decisions of larger businesses for better public infrastructure provision planning (ARC, 2004b).

AREDS' engagement with other, non-business interests, may have received less attention by observers. Connections with Maori, Pacific peoples and the migrant community have been, overall, a positive aspect of this initiative. It is remarkable that despite many translation problems around the distinctive nature of economic activity in 'non-western' communities, and the deployment of quite different principles for prioritisation of actions and reconciliation of contrasting goal sets, "...under AREDS, Mana Whenua [Maori living in the wider Auckland area] came together for the first time in the region" (Local government manager, Informant 6, 2004). This is also true for migrants, which after the region experienced an enormous influx of migrants from mostly non-traditional source countries in the 1990's, now had the chance to provide input into regional economic matters. The difference is that processes for Maori economic development (as well as for Pacific people) in Auckland continued and were particularly resourced with facilitators and AREDS project managers (Personal observation, 2002), while the migrant consultation group disintegrated during the strategy development phase. The differing levels of engagement between local state interests and investment communities on one hand, and wider community interests on the other hand, may be explained by the fact that the local state had developed a history of working with many interests of the latter group on policy and planning issues in recent years, but not with local capital interests.

The question arises what does 'Competitive Auckland's involvement in the AREDS project, and the impacts of the 'Knowledge Wave', mean for the notion of government - business partnerships in the regional policy context. Given the only partial representation of Auckland's business sector in, and the large number of private sector interests excluded from, such partnership arrangements, means that the partnership idea is largely an illusive institutional model, and - from a critical relational stance - merely

rhetoric. What can be accomplished under such an intervention model in the end is that particular resources possessed by certain business interests - such as global knowledges, executive and managerial skills and influential relationships and networks in the case of these two business-sector led governing initiatives - can be enrolled temporarily for re-aligning interests and resources around the management of New Zealand's and Auckland's economy. What might be accomplished in the end are more durable relationships between state and business interests to draw on the latter resources more strategically in political economic management. Through engagement there is also the possibility that business people participating in public policy arenas may be influenced in terms of altering their own resource allocation behaviours in particular ways.

Contentious Governance in Auckland: Political Struggles, Policy Dilemmas, Intra-state Contradictions and Cultural Disconnections

The assemblage of governing in regional initiatives can be understood as a series of contested processes involving political struggles and contradiction. One area of contestation was the lack of consideration for the particular situation of the Auckland economy among central government and its agencies. As funding resources under the RPP were basically the same across the regions, Auckland had to implement its strategy with much fewer resources per capita and per firm than other New Zealand regions. This led to a situation in which AREDS 'capability funding' was not able to be used for direct work with industries and firms as it had in many other cases around the country, but rather for the administration of such work. In the neighbouring Hauraki region by contrast, an industry capability programme had been able to promote a new economic activity in the form of the Aquaculture initiative (Central government agency manager, Informant 11, 2004). In Auckland however, this money had to be spent on the maintenance of the AREDS-office, an organisational structure comprising of a team of 7 professionals charged to support the AREDS implementations leader group in the interim period.

Furthermore, the MRI segment of the RPP provided a rather weak vehicle for mobilising industry support and engagement in Auckland, as well as in other cities in New Zealand (Schoellmann and Nischalke, 2005). Two million dollar support is of comparatively low financial value to an economy that adds value to goods and services of around 35 billion dollars annually (Market Economics, 2002). Although in the

Auckland case four MRI initiatives - more than in any other New Zealand region - were identified, developed to business case status and finally approved for funding, the structural weakness of this intervention tool in its application to Auckland received much critique. An economic development expert admitted for example that "...we, collectively, have never put in the resources to implement AREDS", and that "a lot of the ideology of the RPP only works in a small region, but it will never work in a city like Auckland" (Central government agency advisor, Informant 13, 2004).

Another factor for struggle and conflict was the changing economic development policy trajectory of central government. After an initial emphasis on broad stakeholder participation in regional contexts under INZ's engagement in Auckland, NZTE started to aggressively promote a sector-focused and export-driven framework on the basis of GIF. As one commentator noted:

The philosophy shifted to export only growth, from local, endogenous, inclusive growth to export-only. It's a major shift. In a very short time they moved to a very top-down approach to economic development. There is little appreciation now of what underpins local and regional development. (Academic, Informant 37, 2004)

Since then, NZTE has become the most powerful actor in regional economic development in Auckland. With an annual budget of \$ 25 million, and almost 50 staff in Auckland, this organisation is now by far the most powerful agent in this region's economic intervention area.

Partnership was problematic. While early AREDS organisational governance under a partnership model was generally seen as democratic and empowering for a wide range of stakeholders, conflicting agendas of the many stakeholders involved surfaced as political struggles in the interim phase. The various stakeholders such as the large local councils, the ARC, NZTE, Maori and Pacific groups, all had different goal-sets with regards to organising economic development. Thus several councils and EDA's continued to pursue policies and initiatives without consideration for, or consultation with AREDS (Rowe and Wetzstein, 2006). Significantly, the problem of 'patch protection' in a historically fragmented political landscape in Auckland became a source of strong contestation for collaborative forms of engagement under a 'partnership'

institutional model. These findings resonate with Larner's (2003) analysis that partnerships are often contradictory.

Struggles also occurred in the intra-state initiative of the RGF. While this project can be seen as an expression of closer local state - central state relations, these are not always harmonious and free of contradictions. In this context, an ARC officer commented that despite

...the Labour government being prepared to give more resources and attention to Auckland, some government departments are a bit ambivalent of support. For example, the housing corporation is not particularly supportive of the Regional Growth Strategy for housing affordability reasons. (Informant 35, 2004)

This statement shows how the state itself is an area of contradiction and struggle. It gives evidence to conceptualisations that construct the nature of the state under capitalist conditions as a set of (partly contradictory) social relations (Jessop, 1990).

A final point about contestation refers to the ongoing cultural disconnections between Auckland and the rest of New Zealand. It can be argued that one of central government's key challenges that arises out of New Zealand's need to engage in the globalising knowledge-based economy is the management of its relationship with the country's largest city-region - Auckland. On one hand, Auckland requires particular attention from state institutions and policy frameworks as it is said to become more important economically for the country. In this regard, the city takes on new importance as a node in the global network of cities through which flows of economic resources are channelled into national economies (see 'global city' literature). These places are said to exhibit critical mass in terms of place-bound economic resources such as people, skilled workers, firms, knowledge institutions, amenities, lifestyle and cultural tolerance. The more prominent place of Auckland in national policy discourse and its increasing construction as a solution to New Zealand's governance problems (see Table 5-1) shows that past national policy thinking is being challenged in this moment.

On the other hand, the region's economic supremacy is contested politically by the central state's imperative of pursuing policies that, at least to some degree, seek spatial equality within the nation-state's territory. This issue manifests itself in under-recognising Auckland's specific context in administrative and policy processes of the

central state apparatus. Furthermore, the 'Bombay Hills' syndrome as a marker of deep-seated mistrust between Auckland and the rest of the country makes it hard for central government politicians to openly acknowledge Auckland's particular place in the New Zealand's economy. Many connections between country and its prime city therefore happen in less visible ways, for example through the increasing inclusion of Auckland in central state discourses, and through co-location strategies by central government departments and personnel. One might term this contemporary approach in New Zealand politics to deal with its biggest city-region from a policy and institutional perspective as 'connecting with Auckland without telling the country'.

Conclusions: Central State Expansion, Asymmetrical Co-dependency and Experimental Engagement of Governing Interests for influencing Auckland's and New Zealand's Investment Processes

Chapter Five has outlined the institutional and relational dimensions of economic governance in post-restructuring Auckland. In this context, economic governance can be understood as the total outcome of political interests' attempts to re-set the conditions for accumulation of local actors and activities. This intervention pattern is shaped by co-constituted political projects that find their institutional expression in a range of governing initiatives. In the early and mid-1990's Auckland's strong population-growth mediated local development resulted in the creation of a regional intra-state policy forum to deal with the social costs of economic growth. Around 2000, the unsustainable quality of population-based rather than productivity-based growth, and the lack of investments into the expansionary productive sector resulted in a range of governing initiatives emanating from Auckland that challenged the general hegemony of market regulation. In the context of a changed central state approach to economic management under a newly elected and modestly interventionist central government, these initiatives became part of new forms of engagement between governing interests, new institutional trajectories and changed relational patterns in Auckland's economic governance space.

This chapter claims and demonstrates the re-population of Auckland's political economic space by the New Zealand central state. Under inherited neoliberal political-economic conditions, this expansionary central state project entails the re-working of specific central state processes and practices under the 'joined-up government' label,

increasing working relations between central and local state actors, the creation of new institutional arrangements on both, national scale and Auckland's regional scale, the support of regional policy initiatives and more interactive local government processes under a 'partnership' engagement model, as well as multiple discursive strategies. This expansion of central state interests into Auckland's policy and governance world can be explained by their ambition to influence more directly globalising investment processes incorporating actors and activities in Auckland. It highlights the crucial role of the central state in shaping the conditions for investment processes in this country (Le Heron, 1987).

Central state expansion involved the co-opting of autonomously emerged local governing networks, and the activation of engagement and new networks under a 'partnership' model. The resulting state-economy processes in Auckland are experimental in nature. Ever new institutional arrangements are invented in search for more closely aligned interests that may lead to expansionary effects on economic processes. The emerging institutional trajectories are contingent on the particular conditions of engagement, the political and institutional context, as well as on past governing arrangements and institutional settlements. Importantly, institutional experimentation as a key characteristic of interventions under contemporary neoliberal political-economic conditions favouring market governance and a facilitative state can be viewed as an incomplete and re-strained form of state-regulation, in particular in the context of increasing pressures to link local actors into the globalising economy.

A key rationale for contemporary engagement in governance arenas, and for particular economic governance trajectories, is the interdependence of asymmetrically distributed governing resources such as funds, political mandate, knowledges and people. This situation results in processes of 'assembled governance' where actors, strategies and resources are joined together 'on the move'. This form of intervention combines managed processes and multiple and ongoing sets of alignments between interests to produce effects on investment and territorial processes. The attempts to manage economic processes are co-constituted on multiple geographical scales, in various sites and different institutional settings. In this context, the co-dependency between both, central and local state as well as state and non-state interests, need to be stressed as neither has sufficient governing capacity on its own.

The current arrangements of regional economic governance in Auckland are not free of tension and struggles. Viewed from a relational perspective, contentious governance arrangements always involve the making and missing of connections between actors. While autonomously mobilised private sector interests being co-opted by the central state, engagement with the private sector under a partnership model has led to sub-optimal outcomes. Partnerships such as AREDS are often complex and contradictory (Larner, 2003). In other relational arenas, such as Maori and migrant participation however, new associative governance trajectories were set off under AREDS that promise more positive regulatory returns. Another set of tensions lies in Auckland's re-positioning as a particular important place in New Zealand's economy under globalising conditions in national policy discourse and practice.

Chapter Five established the arrangements of regional economic governance in Auckland. What is now needed is an interpretation of the effects of governance assemblages on investment and wider societal processes in Auckland. Chapter Six shifts attention to the discursive dimensions of contemporary economic governance. It interrogates the techniques deployed in attempts to mobilise actors and investors through public policy and the ways actors' thinking about investment objectives are re-oriented towards the 'global' and 'sustainability' under current conditions. This analysis enables a preliminary evaluation of the effects of contemporary economic governance on state-regulatory processes and private sector decision-making. On this basis, the degree of influence of public policy on the global economic participation of Auckland's actors and activities can be better discerned.

CHAPTER SIX

Mobilisation of Actors, State Re-Alignment and the Discursive Regulation of Auckland's Economy in complex 'After-Neoliberal' Governance

This chapter seeks to answer whether the work of governing initiatives and new institutional arrangements that emerged in Auckland's economic governance space in the post-restructuring period have had effects on private sector investment processes in Auckland. It analyses the nature of, and the particular practices that constitute, policies aimed at transforming Auckland's economy under current neoliberal political-economic conditions. The multiple and differing interpretations of governing actors on their action-contexts and their specific governing intentions highlight the extent of variety and disparity in the construction of actor worlds, and the degree of discursive alignments. This analysis is the basis for assessing the effects of context-dependent discursive alignments of governing interests on the state-regulatory apparatus and public policy development as well as for influencing private investor decision-making. The concluding section summarises the achievements and limitations of discursive economic governance trajectories for influencing Auckland's economic transformation in an 'after-neoliberal' political-economic moment.

Increasing Policy Complexity, Discursive Governing Practices and Production of Policy Knowledges in Auckland's 'After-Neoliberal' Economic Governance

Attempts to Re-orient Actors' Goal Settings in Public Policy Discourses and Practices

The biggest change over the last couple of years is in the public sector, in central government, from an efficiency-centred to an outcome-focused policy approach. (Local government manager, Informant 36, 2004)

Economic governance has become more complex in recent times in New Zealand. This complexity can be associated with the increasingly discursive nature of attempts to regulate the economy and society under neoliberal conditions. A key component of this

trend is a general orientation of public policy work from outputs to outcomes. Policy discourses circulating in state sites focus on the desired results of governing activity, which contrasts with an emphasis on directly measurable and often quantifiable outputs that prevailed over the last two decades, and a concern with inputs in prior decades. It can be said that the governmental expectations behind outcome-centred public policies are the influencing of public and private investors' goal-sets.

Policy complexity is further enhanced by trends towards the integration of outcomes in current discourses. Terms such as 'sustainable development', 'quality of life', 'economic wellbeing' and 'quadruple bottom line' link together separate policy objectives and create phrases that produce new meanings (Dalziel and Saunders, 2004). For example, a 'sustainable development' approach to New Zealand's wealth creation shifted policy thinking towards longer time periods and the simultaneous consideration of economic and non-economic objectives (MED, 2000). This trend to policy integration, driven as a state project similar to developments in the UK, has been perceived as problematic. In reality, economic decision-makers are now required to choose between often competing economic and non-economic objectives in their resource allocation decisions. In addition, many of the integrated outcomes are somewhat intangible policy objectives, which are difficult to measure and not easily comparable.

At sub-national levels, the outcome-based policy framework is enshrined in the LGA 2002. Under this legislation, councils are required to pursue a balanced approach to public resource allocation, one that simultaneously considers the impacts on economic, social, cultural and environmental processes. They also have to be more responsive to the views of their communities (Dixon, 2005). There is a distinct shift away from a focus on service delivery towards councils as responsive, collaborative facilitators of community outcomes (Wilson and Salter, 2003). Under new planning conditions, councils are obliged to produce a Long Term Council Community Plan (LTCCP) as a process to ascertain, and a reflection of, the particular visions of their constituents. An experienced local government manager views the development of an increasingly community outcome-based local planning framework as leading "to a far more careful approach to decision-making" (Informant 16, 2004).

The importance of various policy outcomes differs depending on the context of the particular jurisdiction. For Auckland, this means that each council has particular sets of values and objectives that guide their planning and decision-making. These are partly determined by the individual trajectories under neoliberal restructuring. Thus, general development themes such as an orientation towards a sustainable future as in the case of WCC, or a dynamic, entrepreneurial environment as in the context of MCC, and a preoccupation with strategies to improve urban design in the CBD and strengthen heritage considerations in ACC, differ markedly. The same is true for economic development planning, where the focus of ACC is on events and promotion, while other councils try to differentiate themselves on factors such as skilled workforce (NCC), sustainable business (WCC) and linking business and community (MCC). In sum, the prioritisation of particular policy outcomes is differing across Auckland's local state.

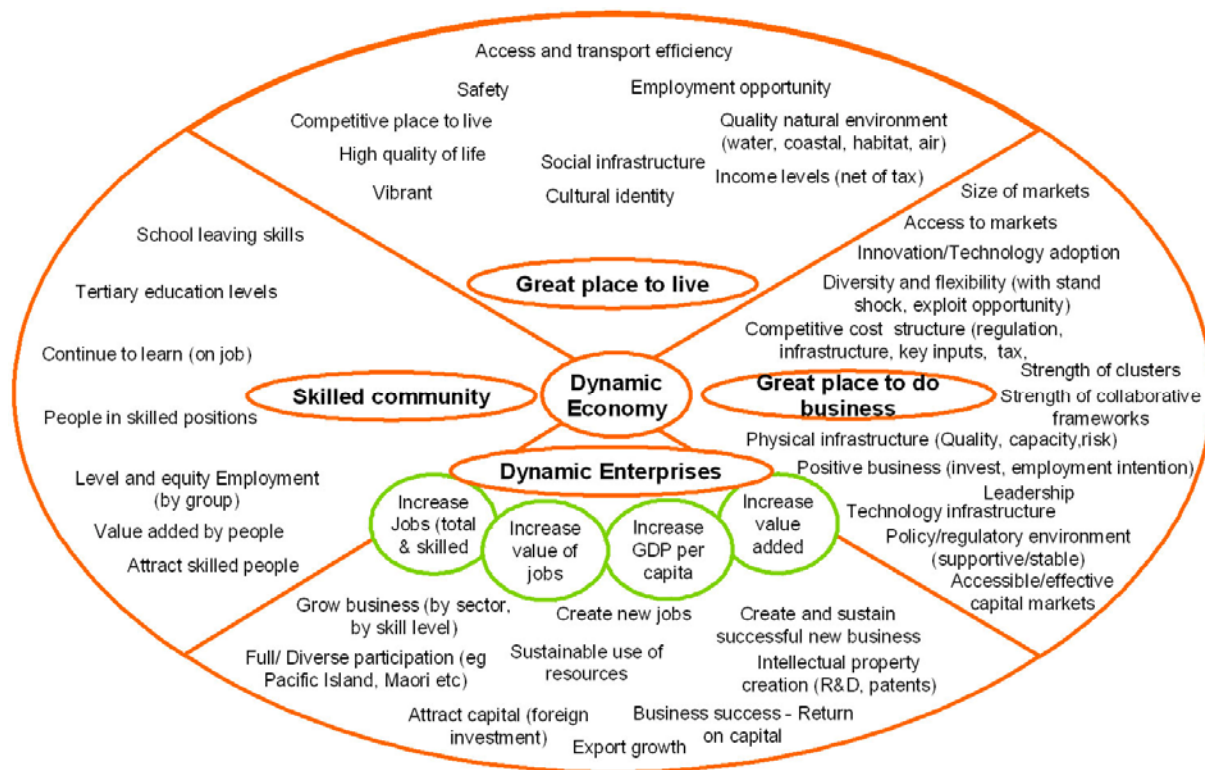
The adherence to particular policy outcomes also depends on the culture and history of a particular institution. Importantly, one policy discourse can be embraced by heterogeneous actors, as well as rejected by actors that are proximate in terms of their position on the public-private spectrum. Such indeterminacy of discursive alliances can be illustrated by the uneven appropriation of the 'global competitiveness' discourse in various governing sites. This political project found traction in central government's Treasury department¹¹ in the 1990's in work on micro-economic issues of the New Zealand economy. A decade later, these ideas can be linked to the 'Competitive Auckland' initiative targeting "the successful re-development of Auckland as an internationally competitive city" (Competitive Auckland, 2003). This perspective was largely ignored by Auckland's local state actors however. Thus, the policy focus on a particular set of socio-economic outcomes also relies on the specific institutional context.

Increasingly outcome-focused policy discourses materialise to differing degrees into new public policy practices. The new policy environment in New Zealand facilitates the constant experimenting with, and the invention of, new tools for policy implementation and resource allocations within the state-regulatory apparatus. In the strategic policy and planning areas of the local state for example, outcome focused strategic policy practices

¹¹ The focus was on micro-economic intervention and competitive upgrading of New Zealand's economy. This work was supported by repeat visits of MIT Professor and 'cluster expert' Michael Porter to New Zealand.

are constituted through the use of new tools to represent and shape thinking about economic and non-economic processes. As an example, Figure 6-1 depicts an outcome-led approach to economic development decision-making on the basis of the balanced scorecard business practice. This technique represents a crude model of positioning or associating ideas. It assumes a more central role to 'vision' in policy development. Invented by a private consultancy on behalf of AREDS (Andersen Business Consulting, 2001), it visualises ways of thinking in more detail about each of the four strategic directions of this initiative from an outcome perspective, without ranking or linking them. Overarching AREDS categories of 'a great place to live', 'a great place to do business', 'skilled community' and 'dynamic enterprises' are brought in connection with smaller, more tangible governing objectives such as the size of markets, access and transport efficiency, school leaving skills and sustainable use of resources. While the complexity of the regional economic governance domain and the interdependency of actors are acknowledged in this technique, the prioritisation of outcomes and judgement over the best implementation strategies are left out.

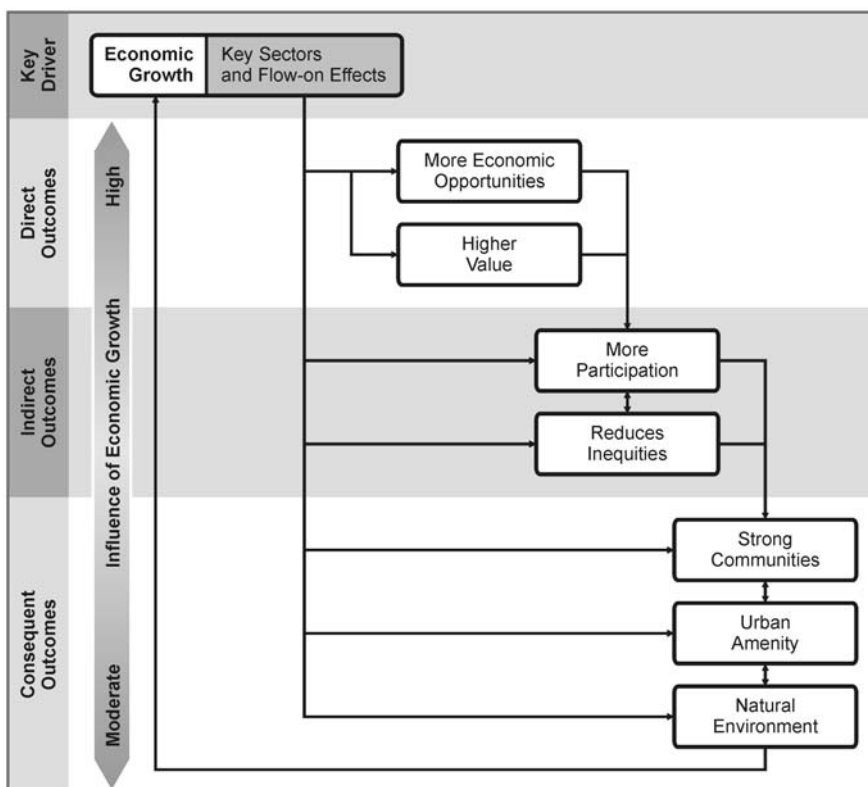
Figure 6-1: Economic Development Balanced Scorecard for Auckland



Source: AREDS (Andersen Business Consulting, 2001)

Another example of how an outcome-led approach in economic development planning is imagined is presented in Figure 6-2. It shows how linkages between economic and wider goal sets for the Auckland region are constructed by a consultant on behalf of AREDS (Market Economics, 2002). It illustrates how new economic interventions are thought to have - to different degrees - positive flow-on effects on non-economic outcomes. Different outcome categories and complex relationships between them are envisaged in flow-chart form that provides the technical means through which simultaneous thinking about economy, society and environment is made possible. Representations about regional processes such as these activate actors' thinking about the multiple and complex relationships between different outcomes. As a result, it could help to sensitise them to the multi-faceted and uneven implications of every investment decision on people, organisations, households and places under capitalist conditions.

Figure 6-2: Auckland Regional Economic Development Strategy Outcome Matrix



Source: AREDS (Market Economics, 2002)

Outcome-based thinking also takes hold in public sector resource allocation. New mechanisms are being developed in areas such as transport and infrastructure provision to reset funding priorities in line with broader objectives. One example is the new

Multi-Criteria-Evaluation Framework (MCE), a policy model which has been developed by the funding agency 'Infrastructure Auckland'. It depicts a framework for assisting decision-making when faced with multiple and conflicting objectives in public investment. Consisting of different assessment layers, it comprises of legislative filters, project financial analysis and risk assessment as well as the multi-criteria-analysis module itself. The latter is envisaged as incorporating regional economic outcomes, physical and natural environment, desirable communities, geographic and demographic spread, and financial cost to the organisation as decision-making filters. This public investment model is based on a process that is thought to make a more complex decision-making environment manageable as it structures each decision, uses an iterative participatory process and analyses both quantitative and qualitative data (Infrastructure Auckland, 2003).

Another example is the experimentation with designing new decision-making tools in the transport policy area. This practice has involved the development of a new investment framework in central government agency Transfund that signals a shift from the competitive to a 'best-value' model. At Auckland's regional government level thinking revolves around a 'franchise approach' to the delivery of local transport services as "...an agreed framework where risks and costs are shared, a practice quite common in Australia, the UK and Canada" (Local government manager, Informant 16, 2004); while clear mechanisms haven't emerged yet. In sum, public policy development in New Zealand at this moment is characterised by institutional creativity and reflexivity. As a local government manager points out, "there is ingenuity needed to come up with new instruments for decision-making" (Informant 16, 2004).

The experimentation with, and the emergence of, new models of strategic planning and resource allocation prioritisation, do not mean however that old models are being fully replaced. Rather, such governing technologies are stapled on top of existing ones, creating hybrid forms of governing practices in the process. Output and outcome-based technologies become mixed. For example, principles and imperatives derived from a neoliberal rationality such as accountability, transparency and efficiency featured centrally in the governance processes and actor relationships under AREDS; despite experiments in outcome-based policy thinking as shown in Figures 6-1 and 6-2. However, 'Infrastructure Auckland's MCE-process demonstrates the stapling together

of what can be termed neoliberal and 'after-neoliberal' forms of decision-making criteria. Risk assessment and financial analysis are methods that can be understood as belonging to the former category, while the multi-criteria-analysis module can be conceived as representing the latter group.

Governance complexity is also growing through new institutional practices in public policy development. Promoted by 'partnership' discourses and new local government legislation, there is an increasing role of collaboration- and interaction engendering institutional practices. These can be understood as a response to the institutional fragmentation and functional interdependency of the state under current conditions. Some of these practices are constituted by voluntary collaboration between actors, while others can be viewed as legislatively enforced engagement. Besides consultation and communication practices, one institutional practice designed to align goals for resource allocations is the increasingly used Memorandum of Understanding (MoU). The MoU signed by the RGF for example is intended to bring in line individual actors in relation to the outcomes sought in the RGS. This form of achieving some commonality of interests between governing actors has been adopted from the private sector, and is now widely used in New Zealand's public sector. In Auckland's regional economic intervention context, the related model of a memorandum of cooperation was used by the local councils to establish a framework for co-operation in economic development matters in 2001 (see AREDG, 2002). The Memorandum's stated purpose is to:

[e]ncourage the local authorities to work co-operatively together and to co-ordinate their endeavours whenever appropriate to achieve beneficial economic development outcomes for the region and for the local authorities in the Auckland region. (Stannard, 2002, 10)

Such agreements rely on voluntary decisions of actors. As a local government manager explains "...they are thought to provide a mechanism to commit people to do things. It's a good will thing, non-statutory, non-enforceable" (Informant 15, 2004). They also ensure more open communication and transparency between interests as they cannot "hide behind processes" (Central government agency manager, Informant 3, 2004). This governing model can be contrasted with the statement of intent, an arrangement which represents a more rigid form of principal-actor relationship. In fact, the latter resembles more of a contract than a voluntary alignment tool. It guided for example the relationship between the Establishment Group and the Implementation Leaders Group

in the AREDS project. In Auckland's economic governance space, both forms of aligning interests exist alongside each other. Larner (2003) highlights the broader importance of these alignment practices for actor associations in partnership governance arenas. She contends that

...governing involves particular representations of political and social processes, as well as the invention of technologies capable of governing these processes. [In this context] [d]ocuments such as MoU, terms of reference, project protocols, charters and statement of intent are emerging as key mechanisms for addressing the 'how-to' questions of local partnerships. While parties may have different rationales and may expect to get different things from local partnerships, these documents provide a mechanism for specifying and aligning outputs and outcomes, so allowing partners to effectively 'join up'. (Larner , 2003, 148)

In sum, the trend towards outcome-focused policy discourses, planning and public investment frameworks as well as the proliferation of collaborative institutional practices in order to align actors' policy and resource allocation goals have produced a more complex and complicated public policy world in New Zealand over recent years. Under these conditions, actors have an increasing need for reading and interpreting their decision-making environment, and for assessing the potential implications of decisions on other actors and the wider society. Thus, these imperatives place a greater necessity on dialogue and negotiations. In the economic governance arena, this growing policy complexity regarding attempts to reset goals for investment decisions raises questions about actual changes in private investment behaviour, or whether these re-engineered policy processes amount to nothing more than the production of more policy text, consultancy reports and officer meetings. Before light can be shed on this question, the particular governmental strategies governing actors use in a largely discursive space of governance need to be interrogated in more detail.

'Story-Telling': The Construction of Policy Discourses and the Mobilisation of Actors

Policy discourses can be understood as the expression and the medium of evolving and co-constituted political projects. In this context, recent economic interventions have been linked for example to discourses on global competitiveness, the knowledge economy, regional and economic development and sustainability. Larner *et al.* (2005)

argue that these projects are co-constitutive, and that cross-fertilisation will be achieved through the alignment of particular discourses, political initiatives and institutional arrangements and the active workings of strategies, tactics and encounters. Auckland can be understood as a particular governance arena where these wider political projects are played out, and mobilise actors.

For a discourse to be governmental, the strategic enrolment of knowledge is critical (Foucault, 1980). Thus, the policy discourses that are circulating in Auckland's economic governance space are in need of inserting particular knowledges about how economy and society operate, and how governing processes can best influence these processes. In this sense, policy knowledge production is a source of authorisation and legitimisation of a discourse. Le Heron (1987) emphasises the plurality of policy knowledges, or the circulating representations of economic and territorial processes, at any given time. These knowledges are perceived as powerful in shaping actor understandings. As McNeill *et al.* (2005) in a practical example argue, by commissioning research and studies on socio-spatial topics, state policy-makers, politicians and other local interests effectively talk a city's identity into existence. In Auckland's recent governance initiatives, these knowledges were produced from local and global sources, and their mediation encompassed embodied and interactive forms. These processes are outlined in more detail later in this chapter.

In New Zealand's political-economic context, 'story-telling', or narrating stories on Auckland, can be understood as a key form of the materialisation of policy discourses, as well as a key discursive practice of governing. Telling narratives in order to inspire and mobilise other actors has become a key governing technique to achieve desired governance 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. The narration of a coherent and appealing story is perceived as a key influencing tool under contemporary governance conditions. As a private sector manager points out:

...there are two change agency models: the integrated story and a set of recommendations. The later will be shortened, let's say four out of twelve recommendations are implemented. The former makes people

sign up, makes them compromise with their own objectives.
(Informant 18, 2004)

Narrated stories construct the city's performance in economic, social, cultural and environmental arenas, and are central ingredients of political strategies to intervene into the economy. For example, one discourse constructs Auckland as a coherent city rather than a fragmented region. In this context, a renewed emphasis is placed on the CBD, a rising preoccupation with heritage questions, frequent global economic comparisons and the increase of ceremonial moments in public life that represent Auckland as unified, urban, sophisticated and global city. These observations resemble findings of McNeill *et al.* (2005, 939) who contend that "Sydney's global status is based firmly on the essentialisation of the CBD and the historic core". In Auckland, key actors that narrate the city in this particular way are local politicians and place marketers such as the local development faction of 'Competitive Auckland'.

Another policy discourse constructs Auckland as a centre of the knowledge economy, with innovative industry sectors and knowledge workers abound. Related to this narrative is the recent re-definition of the region as a centre of creativity (Starkwhite, 2002), tolerance and a destination of globally mobile people. A very visible discursive expression of this particular representation of processes in Auckland was the branding of the city-region as an 'Innovation Harbour' by local private sector interests (Irving, 2001). Key political actors in the construction and active promotion of this discourse were the 'Knowledge Wave' initiative, 'Competitive Auckland' and central state interests such as NZTE and MoRST.

There are also absent discourses and discursive silences in Auckland's economic governance world. Old industries, or 'sunset industries', small and medium-sized businesses, Maori, Pacific Peoples and new migrants, the recently above average growing domestic service industries as well as the job-rich but income-poor tourism sector receive markedly less attention in Auckland's economic governance world. From a spatial perspective and in contrast to the CBD, suburbs in general and South Auckland in particular are not perceived as lucrative ingredients in stories told to attract investment into the region. These discursive gaps highlight politics of representation issues that express themselves in an uneven distribution of discursive attention across people, organisations and places within the Auckland region.

Narratives in governance arenas need narrators, as well as audiences who listen and consequently change their behaviours. But not all narratives are received by their audience as it was intended by the authors. Sometimes people don't understand, or misunderstand. A 'Competitive Auckland' leader explains problems encountered with the 'Innovation Harbour' narrative. He reflects on the fact that "[p]eople made the connection to Real Estate, they took the word harbour too literally and got locked into images. Property development is very long term. You plan over 30 or 40 years" (Informant 7, 2004). In sum, this section highlighted the importance of story-telling as governmental technique to change actor behaviours in a largely discursive space of economic governance. The next section focuses on two other increasingly important discursive practice of governance; benchmarking practises and the use of indicators for the creation of globally oriented and self-reflexive actors.

Benchmarking and Indicatorisation: 'At a Distance' Governmental Techniques for Actors' Global Orientation and 'Managed Self-Governance'

Emerging discursive practices of economic governance involve the strategic self-management of actors within constructed and bounded contexts. A key governmental technique in this regard is the constitution of a globalising governance domain for Auckland's actors through global benchmarking. This practice, besides audit and contractualism, is part of the calculative practices that are "emerging as a generic term for an entire family of conceptually related comparative techniques" (Larner and Le Heron, 2002a, 762). 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 been vital in the constitution of governance related thinking in Auckland's recent 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 (Competitive Auckland, 2001). 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 UK, Canada, USA and Australia (BCG, 2001). AREDS too used benchmarking as a means to construct Auckland as part of the Asia-Pacific region (NZIER, 2002; ARC 2003a). The Metro

project also aims “to prepare and deliver a comprehensive report on Metropolitan Auckland including benchmarks with other metropolitan centres in other OECD countries” (Metro Auckland Project, 2005, 1). Finally, policy work in the ARC is increasingly guided by benchmarking exercises and global case studies to inform local decision-making processes, in particular in the transport governance field (Personal observation, 2001; 2002).

Benchmarking in a global comparative sense includes two dimensions. As a regional government manager explains: “we benchmark ourselves against cities we admire but we won't catch-up to, and against cities which we are competing against for investments looking for a new home” (Informant 36, 2004). Indeed, the management literature on benchmarking reveals that this notion is a mixed metaphor, emphasising both collaboration between benchmarking partners as well as principles and language that convey notions of competition (Cox *et al.*, 1997). The former objective can be linked to a search for global ‘best practice’ that increasingly guides local policy initiatives and practice. In this context, Larner and Le Heron (2002a) observe that in New Zealand politicians, academics, and community organisations alike now benchmark themselves in pursuit of ‘best practice’. In contrast, and in regards to the latter objective, league tables, surveys, indicators and other ranking systems are expressions of the competitive side of benchmarking (McNeill *et al.*, 2005).

Benchmarking can be linked to a global imaginary that is based on an understanding of the ‘global’ as made up of flows. A central theme in AREDS is the desired outward focus of Auckland's regional economy. This concept encompasses the imagining of both outward flows in terms of increased value-added exports as well as inwards flows in terms of FDI and global talent. Larner and Le Heron (2002a, 754) argue that

[g]lobal imaginaries involve both discourses and practices that, in turn, are constitutive of new governmental forms. In particular, we highlight the strategic importance of interrogating calculative practices such as benchmarking in order to comprehend the dynamics associated with global flows in New Zealand, and, correspondingly, the constitution of new spaces and subjects.

In recent times however, conceptions of local-global connections as flows have increasingly given way to re-conceptualisations of such links in form of networks. For example, the KEA-network of New Zealand expatriates from around the world has

become a new resource for supporting national economic development as it provides cheap access to overseas networks and market knowledges (KEA, 2006).

Benchmarking is now transforming into a governmental strategy. Lerner and Le Heron (2002b) link this tendency with the increasing application of this practice to the public sector. They point out that benchmarking has become a 'buzzword' for industry, government and individuals who aspire to be 'world-class' and who constantly search for 'best practice'. However, it can also fuel and give content to inter city competition for investment and people (Wetzstein and Le Heron, 2003). In conclusion, benchmarking practices have been influential in creating new domains for governing actors in that they allow actors to re-imagine how economic and territorial processes operate with reference to the global. By naturalising an outward-focused mentality, a new globalising governmental rationality aids to align diverse actors such as individuals, organisations, industry, cities and regions.

From a technical perspective, benchmarking and other calculative practices are centrally about numbers. The refinement of numerical techniques, the compilation of data through survey methodologies and the comparison of indicators allows the identification of statistical similarities and differences between the economic (and increasingly social) bases of different places (Lerner and Le Heron, 2002a). Numbers seem to convey a sense of objectivity and scientific rigour (Porter, 1995), which seem to make them particularly useful in authorising stories told in governance arenas. For example, the success of the support project for the visit of Richard Florida to Auckland had been largely based on the generation of numbers and indicators, including those that only loosely related to the topic of creativity (Wetzstein and Le Heron, 2003).

From a critical perspective, the privileging of numerical over other forms of reality representation through quantitative techniques such as benchmarking runs a risk of losing important social, economic and industrial context (Porter, 1995; Lerner and Le Heron, 2002a). So is Lundvall and Tomlinson's (2002, 204) observation that "international organisations such as the OECD...seem to become much more relaxed from critical reflection when they enter the field of benchmarking" is hardly surprising. Thinking about context raises the question where, in which part of the world, is benchmarking most common. The literature points to Europe, where in recent years the

EU has been particularly keen on using benchmarking as a tool for European industry (Lundvall and Tomlinson, 2002), while Larner and Le Heron (2002a, 766) in contrast had “been struck by the non-reaction to benchmarking in the US”.

A related trend has been the increasing use of indicators in governing practice. Indeed, indicators have become widely accepted as tools to measure strategic action in New Zealand's and Auckland's policy environment. As Table 6-1 shows, they emerge in various governing sites such as central government and its institutions, organisations of Auckland's local state and private consultancies. The objects that are measured through indicators are part of economic, social, environmental, cultural and institutional processes, which demonstrates that their interconnectedness is increasingly recognised in policy thought. Over time, the number of indicators used in such reports seems to be growing, as comparisons of reports that have been re-published in the last two years illustrate (compare reports 1 and 6, and 5 and 8).

As indicator-based practices are constitutive of new governance domains, 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.

Indicators are also crucial in institutional performance assessment. The ARC, for example, has undergone the development of a framework of performance indicators in operational and strategic areas to guide its resource allocation decision-making (Personal observation, 2004). This work includes certification according to global best practice standards, and participation in business excellence awards. These practices are thought to produce increasing institutional reflexivity in an environment of increasing policy complexity. However, the use of indicators is not free of tensions and ambiguity.

Table 6-1: Benchmarking and Indicator Reports in New Zealand’s Policy Discourses (Source/ Author)

<i>Number</i>	<i>Policy Report</i>	<i>Author</i>	<i>Date</i>	<i>Pages</i>	<i>Report Content Overview</i>
1	Quality of life in New Zealand’s six largest cities (Auckland City, Manukau City, Christchurch City, North Shore City, Waitakere City, Wellington City)	150+ Forum (2001), CEO’s project group	2001	119	55 indicators in 9 indicator areas of demographics, housing, health, education, employment and economy; findings inform participating councils’ strategic and annual planning and will be used for advocacy purposes
2	Auckland regional economic development strategy (AREDS): Measures and benchmarking	NZIER (2002), (NZ Institute of Economic Research)	July 2002	45	7 economic, 5 social and 1 environmental measure for 11 Pacific Rim cities: Sydney, Brisbane, Melbourne, Adelaide, Hobart, San Francisco, San Diego, Seattle, Portland, Vancouver, Singapore
3	Our Changing Environment	ACC (2002), Auckland City	2002	166	Environmental monitoring in 12 indicator areas of air quality, water quality, hazardous substances, solid waste, natural hazards, contaminated land, noise, heritage, climate, transportation, energy, growth and amenity
4	Performance Measures: Auckland Regional Council, Annual Report	ARC (2003b)	2003	32	Strategic and Key Performance Indicators in the areas of regional direction, environmental quality, transport, parks and recreation, heritage, business units, Ericsson stadium, Rideline (Auckland transport information system), residual functions, support functions
5	Benchmark Indicators Report 2003 - Growth and Innovation Framework	MED (2003b)	August 2003	72	Indicators on material standard of living; productivity; supply of skills and talent; changes in investment; innovation, entrepreneurship and technological change; global connectedness; others
6	Quality of life in New Zealand’s eight largest cities (Dunedin City, Hamilton City and Local Government New Zealand (LGNZ) in addition to cities in report 1)	LGNZ Metro Sector Forum (2003), CEO’s project group	2003	172	56 indicators in 11 indicator areas of people, knowledge and skill, economic standard of living, economic development, housing, health, natural and built environment, safety, social connectedness, civic and political rights; findings inform participating councils’ strategic and annual planning and will be used for advocacy purposes
7	Export Development and Promotion - Lessons From Four Benchmark Countries	BCG (2004), Boston Consulting	May 2004	231	Benchmarking case studies on export promotion and development activities in Denmark, Malaysia, Chile and the United Kingdom
8	Economic Development Indicators 2005	MED, Treasury (MED, 2005c)	2005	104	Indicators on material standards of living, labour utilisation, productivity, investment, savings and financial development, innovation and enterprise, international connections, skills and talent, economic foundations
9	The social report: indicators of social wellbeing in New Zealand	MSD (2005), Ministry of Social Development	2005	180	42 indicators in 10 indicator areas of health, knowledge and skills, paid work, economic standard of living, civil and political rights, cultural identity, leisure and recreation, physical environment, safety, social connectedness

An ARC manager points out that

...indicator use has increased in our work. Technology allows us to do more. Indicator frameworks have become part of the accountability of public money. It's harder to do in the public sector as you measure multiple outcomes, and easiest to do where it is similar to the private sector, where usually tangible things, dollars, are measured. (Informant 36, 2004)

Nevertheless, creativity is being applied in many sites to rethink public sector processes with reference to indicators. These in turn allow more strategic intervention models to be invented and implementation to be monitored.

Indicators can be linked to wider political projects and their governmental rationalities. In this context, Larner *et al.* (2005, 21) contend that

...political projects are now being codified through a new emphasis on performance indicators across all domains. Not only are more traditional economic activities benchmarked, but so too have major environmental (Quality of Life reports) and social indicators (the Social Report) been developed in the last few years.

Seen from one angle, calculative practices such as indicators and benchmarking are part of a rationality for constituting reflexive and strategic self-governance. Viewed from a different perspective, calculative practices reduce decision-making complexity in an increasing interdependent world. Larner's *et al.* (2005) claim that benchmarking and indicatorisation underpin the rise of a new globalising governmentality in that it encourages the looking outwards, and is the impetus to constantly creatively reinvent processes and practices. Importantly, this new governmentality makes actors to think not only more globally, at the same time it incorporates non-economic dimensions into governance considerations. For example, the incorporation of wider goals of 'quality of life' into the catalogue of economic terms heralds a broader envisioning of capitalist processes in the current governance moment.

In sum, the research on recent governing initiatives in Auckland confirms that calculative practices such as benchmarking and indicatorisation have been instrumental in attempts to re-construct actor imaginings of economic and governance processes. The former practice contributes to the creation of new understandings of the economy as a globally stretched space, and Auckland as part of an Asia-Pacific city network.

Indicatorisation constitutes self-governing actors and allows the imagining of the reconciliation of economic and non-economic processes. As 'at a distance', or removed from the actors, governmental strategies they are of neoliberal nature, while the re-orientation to the 'global' and to 'sustainable' action might be viewed as 'after-neoliberal' dimensions. Both techniques aid the alignment of governing interests in the wider context of cross-fertilising political projects, and can therefore be seen as technologies through which particular discourses materialise. This section and the previous one highlighted discursive practices of governance that mediate the flow of particular policy discourses through Auckland's governance arena. The next section reveals details about how particular policy knowledges are enrolled by governing interests to influence the understandings of actors on economic governance issues.

Production of Policy Knowledges: Enrolment of Expertise for a 'Knowledge Wave' 'Story-Telling' Performance

Policy knowledges that inform and shape thinking on Auckland's economy and its governance are constructed in multiple ways. For a long time, a particular important form of local policy knowledge production has been the importation of global knowledges into New Zealand. As Craig and Porter (2005) claim, this country's public policy history has been strongly influenced by global policy thinking and ideas from other parts of the world. Increasingly, embodied celebrity knowledges distributed in globalising intellectual circuits have become a key ingredient in these policy-informing knowledge flows. Recently, the 'Knowledge Wave' initiative and the ARC deployed this strategy to influence and challenge assumptions held by local actors. This section discusses the way the former project enrolled overseas embodied expertise in order to pursue its strategic objective of promoting the knowledge society and leadership in New Zealand.

Among others guests, it was the visit and the presentations of American 'academic celebrity' Richard Florida, a geographer and expert on regional development, that caught particular attention in New Zealand's policy world recently. He argues for regional and urban renewal based on individual creativity, technology and a people-friendly urban environment (Florida, 2002a). His ideas use a wide variety of indicators and benchmarking to authorise and give content to his key messages. They have been disseminated through his books, websites and through many visits to conferences,

workshops and public relations events that have lead him to many countries, including New Zealand. These facts are consistent with the findings of biologist Richard Dawkins in Bryson (2000, 165), who observed that travelling ideas behave like genes in that they are capable of replicating themselves to ensure their survival, and that such replication is the result of gossip, rumour, discussions, conferences and publications.

During his time in Auckland, Florida spoke at the second 'Knowledge Wave' conference. He also addressed an audience of local politicians, policy makers and people from academic, business and community backgrounds at a local 'creative city' seminar at ACC that had been organised in conjunction with the University of Auckland. His polished performance needed no script, his informal style was pleasant and he deployed easy to grasp metaphors to convey his message (Personal observation, 2003). Florida's creativity model to regional development was taken up quickly by the 'Knowledge Wave' organisers; indeed, it contributed markedly to an overall shift in focus from a more scientific formulation of knowledge in the first conference, to an emphasis on creativity and leadership in the second one.

In preparation for the seminar at the council, his ideas were contextualised through a research support project that was undertaken by Auckland based academic researchers (see Wetzstein and Le Heron, 2003). By mediating Florida's ideas to suit Auckland's political and economic context, this project can be interpreted as local policy-relevant research (James *et al.*, 2004). In the process, the researchers had to deal with a significant amount of uncertainty around project objectives and suitable methodologies. The story line of a 'Creative Auckland' not only had to promote Florida's ideas, the project's outputs also needed to provide messages to the local elite of public and private decision-maker assembled at the 'creative city' seminar.

The Florida experience can be better understood with the insights from academic work on global knowledge transfer that recognises in particular the key role of individuals in the production process. Bryson (2000, 160) comments on the importance of the status of the individual in transferring knowledge as "[i]n the world of academic journals, conferences and book publishing, the greater an individual's position the more readily will their ideas be accepted". Podolny and Stuart (1995) find that the status of an individual in the technological community influences the likelihood of an innovation or

invention being accepted. And Merton (1973, 445) noted that “the work of an outstanding scientist is read by their peers, whilst that of unknown individuals is not”. Thrift (2001) focuses on the phenomenon of the ‘guru’. In his view, management gurus are chiefly a phenomenon of the later twentieth century, consisting of various well-known academics, consultants and business managers who have been able to package their ideas as aspects of themselves. They tend to develop formulaic approaches to management, which play down context for the sake of rhetorical force.

Overall, Florida’s ideas had an uneven impact in New Zealand’s governing world. His views had influenced an ACC manager for whom a people environment in Auckland is about the council “fostering a more tolerant atmosphere, creating choice, housing, recreation, cultural opportunities” (Informant 46, 2004). And one of his latest books, the ‘Flight of the Creative Class’ (Florida, 2005a), got traction in Auckland’s local state as a possible negative future economic scenario which in turn justifies political lobbying for institutional and resource changes (WCC, 2005). However, another ACC manager saw Florida’s ideas in a different light. He remarked that

...Florida’s creative capital idea has its limitations in the New Zealand context. We are a small, isolated country, largely living off tourism and our agricultural sector, with lower labour costs. A big problem for New Zealand is that many creative bright people tend to disappear overseas when they are most productive. They can earn much more overseas and work on more significant projects. (Local government manager, Informant 55, 2004)

The high-level nature of Florida’s ideas, and thus impracticality for immediate application in public policy practice, were also criticised by some members of the local state personnel.

His ideas got more attention in Wellington. This city had been exposed to population decline and corporate business loss for more than a decade. In New Zealand’s capital, he was guest of the Mayor who has full-heartedly adopted his views on business and workforce creativity. In fact, these notions were put at the heart of a policy framework for transforming Wellington into a competitive place for capital and labour (Wetzstein and Le Heron, 2003). The Mayor stated that the city council

...had created a strategy and vision based around Richard Florida’s creative cities theory. As part of this process we considered what

made Wellington stand out from other cities around the country, and around the world. What would allow us to compete internationally? What was the point of difference we had that would make people want to live, work and play here? What gave us our sense of place? We have invested in making Wellington the Creative Capital. I believe Wellington is the first city in the world to use his framework and Richard Florida often refers to Wellington as a success story in speeches and presentations he gives. (Informant 31, 2004)

It can be argued that Florida's ideas on urban and regional renewal were well received in Wellington, a city more noticeably at risk of being left at the periphery of global economic processes. On the other hand, the ideas received greater resistance in Auckland. Here the need for urban regeneration was less clearly felt, and a fragmented institutional environment of the local state challenged the rapid up-take of a very broadly framed and somewhat 'high-level' policy idea.

Florida's ideas add to the assemblage of resources around the creativity political project in New Zealand (see Lewis and Prince, 2004; Larner *et al.*, 2005). His visit, the meetings and presentations as well as the local research support project are adding to the discourses and practices which constitute creativity in the New Zealand and Auckland contexts. As a result, economic governance has been rethought in 'creativity' terms by actors, and associated private and public resources have been subjected to potential (re)allocations in many sites. After the Florida visit, there has been a renewed interest in closer relationships between the business and arts/culture sectors under the heading of a 'Creative Auckland' in local government (Starkwhite, 2002), 'Committee for Auckland' temporarily re-branded Auckland as the 'Creative Capital of the South Pacific' in order to attract business and investment (Competitive Auckland, 2003b), and on central government level, GIF included the 'creative industries' as one of its three focus sectors for strategic economic intervention. In this sense, the Florida visit and the research support project can be interpreted as media through which his concepts of creativity were produced, imported, interrogated, contested, modified and extended in the New Zealand context as a way of keeping capital in circulation (Wetzstein and Le Heron, 2003).

But policy knowledges are not exclusively generated by the previously outlined model. An alternative view at how policy knowledges are produced in the local context can be presented in the 'innovative' regional geography policy teaching/ learning experience at

the School of Geography at the University of Auckland that took place in 2003 (see Appendix Four). This experimental framework for post-graduate education emphasises, and builds on, the nature of learning as a social process. In this project, knowledges were created through interactive learning embodied in people who - in different roles and to differing degrees - engage in policy or policy relevant work. In a cross-institutional setting of a mixed group of master's students and policy professionals that participated in part work-shop, part traditional lecture style sessions in a paper on regional development and governance at post-graduate level, co-learning (Le Heron *et al.*, 2006) between actors was promoted and new understandings of regional governance and economic processes - or new actor worlds - were created in the process. This interactive teaching/ learning experiment can be understood as an alternative form of production of embodied policy-relevant knowledges on the interface between university and policy, a kind of knowledge generation that is largely unexplored and unproblematised. While the enrolment of global celebrity expertise is one way of producing new knowledges that might better inform economic governance initiatives in Auckland, inter-institutional and interactive processes involving locally distributed capacities, skills and knowledges might be an equally viable model for producing the kind of knowledges needed to allow more critical intellectual engagement with local policy problems.

This section argued that under current political-economic conditions in New Zealand, economic governance is largely a discursive matter. Governance actors and investors are confronted by new layers and new combinations of increasingly complex policy discourses. These are promoted and expanded through discursive practices of governance that involve specific governmental techniques that constitute new imaginaries, and construct new understandings of the world. Multiply produced policy knowledges are a substantial ingredient in the governmental work policy discourses perform. The next section discusses how these policy discourses are constructed by the actors themselves, reveals insights into their particular awareness and interpretations of the conditions they find themselves in, and examines the degree of discursive alignment between them.

Discursive Alignments and Non-Alignments of Actor-Worlds in Auckland's Economic Governance Arena: Multiple Interpretations, Intentions and Expectations among Governing Interests

Multiple and Differing Actor-Worlds: Assumptions and Interpretations of Governing Interests and their discursive (Non)-Alignments

Actors involved in, and critical observers on, economic governing 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. While they often acknowledge the complexity of governing in this political-economic moment, the overall awareness of the complex interrelationships between various processes and the interdependencies of actors and their resources in governance arenas is limited. Despite the heterogeneity of the assumptions and interpretations of governing interests, areas and degrees of alignment, and also non-alignment, can be discerned and analysed. In this regard, actor interpretations of a range of economic governance related issues have been compared and critically examined. The interpretive distance between actors can in turn be construed as markers of potential alignment and nonalignment of governing interests.

Table 6-2 A and B show actor statements that highlight both, interpretations on institutional issues and potential governance solutions regarding Auckland's economy. Analysis regarding the former demonstrates a relatively wide consensus in the understandings of the institutional roots of regional governance problems. For example, there is a widely shared perception that Auckland's institutional fragmentation and competition are a central issue in the effective management of Auckland's economic and territorial processes. This evaluation is shared not just across societal sectors, institutions and professional boundaries, but also across geographical scales. One discursive expression of a commonly perceived issue is the use of the prefix 'sub' before 'region' and 'scale' (Table 6-2 A, [4], [6]), which illustrates that some actors perceive the scale of governance processes as key part of the 'problem'. Overall, quotes [1] to [7] in Table 6-2 A give evidence to a largely aligned diagnosis among actors of Auckland's competing institutional orders that rival for resources and influence.

Table 6-2: Understandings of Actors on Auckland's Governance Problems and Solutions

A Shared actor interpretations on institutional governance dimensions in Auckland

"Auckland is a collection of market towns. It developed strong autonomous views. Another problem is the low population/land ratio, which makes infrastructure networks expensive to operate". (Central government manager, Informant 29, 2004) [1]

"All the other regions have a centre, in Auckland there is no central point; Auckland City to some degree, but Manukau is a very strong city in itself, Waitakere the same, and North Shore sees itself as different to the region". (Central government manager, Informant 23, 2004) [2]

"Auckland was quite entrenched in the way it did things – the land, the diverse cultures". (Public sector business leader, Informant 17, 2004) [3]

"Auckland is a whole lot of sub-regions, some people and institutions are working across boundaries". (Public sector economic development manager, Informant 38, 2004) [4]

"...there is a huge problem in Auckland with all the vested interests". (Local government politician, Informant 5, 2004) [5]

"Auckland had seven sub-scale economic agencies; we were not set up to compete". (Private sector business leader, Informant 18, 2004) [6]

"For wider Auckland, there is no potent authority, no single potent authority that can act in a leadership sense. It's divided like a spider-web". (Private sector business leader, Informant 42, 2004) [7]

B Actor Interpretations on solutions to resolving governance problems in Auckland

"Our city needs to produce goods and services for global markets. We are getting these new industries, knowledge-based, high-tech, people-centred. It's people who are at the core of these new industries. We have to ask ourselves: what can we do to make our city more attractive to them. We as a local council make a rather indirect contribution, we create the environment that encourages people to stay, to come here". (Local government manager, Informant 46, 2004) [1]

"...one big conurbation north of Lake Taupo, that's where we put our energy in". (Central government agency manager, Informant 3, 2004) [2]

"Accepting that we have insufficient funding to undertake consumer campaigns offshore, globally connecting our tourism industry means forming relationships with travel-wholesalers off-shore in order to secure Auckland inclusions in wholesale travel packages over there, and supporting that with retail or 'frontliner' training on the destination". (Public sector business leader, Informant 12, 2004) [3]

"It's about building the networks to collaborate to compete externally". (Public sector economic development manager, Informant 38, 2004) [4]

"There is a need for the Prime Minister to stand up for Auckland". (Private sector business leader, Informant 2, 2004) [5]

"Development in Auckland has been uncontrolled and irresponsibly driven by money. Albany has been destroyed. What we need is urban design. But it's almost too late – huge damage has been done. We have the most beautiful harbour and the ugliest city". (Local government politician, Informant 5, 2004) [6]

Source: Author; [1-7] refer to the number of quote in Table for reference purposes

Table 6-2 B shows a range of individually constructed solutions to Auckland's governance problems. It becomes apparent that there exists a multitude of answers, ranging from increasing the scale of operational practices in transport intervention [2], the emphasis on a newly emerging intervention field in the form of urban design [6], the construction of economic and industry networks on local and global scales [3, 4], the focus on an attractive urban living environment [1], and finally the request for more decisive central government leadership [5]. The diverse range of actors' views on potential solutions to Auckland's governance dilemmas makes visible the great difficulties faced by any governing attempt to align actor strategies and actions. Moreover, they illustrate the complex lines of alignments and walls of non-alignment that are produced by particular actor assumptions beliefs and attitudes.

Discursive alignments can also be explored in relation to perceptions on what 'partnership' means to actors. While Johnson and Norgrove (2003), approaching this topic from a theoretical perspective, emphasise the dialogic dimensions and the negotiation of mutually acceptable outcomes, Table 6-3 shows that interpretations on what is constructed as a 'real' partnership, AREDS, are very diverse and dependent on individual actor context. There is a relatively critical view on this initiative across the board. In general, local government policy personnel are more sympathetic about the processes and practices under AREDS than politicians and business leaders (compare [1] to [3] with [5], [9] and [11]). This demonstrates the larger degree of familiarisation of the former group of actors with public sector governing processes. It leads to more reasonable expectations about intervention progress, timelines and achievements, and also allows a more realistic view on the possible socio-economic implications of AREDS. These findings validate the claims of Jones *et al.* (2004) about the importance of state personnel in shaping regional governance trajectories. Overall, the term 'partnership' is understood either by clearly articulated categories, or by 'what it is not'. Far from any consensus, actors construct particular and differing interpretations on this issue. The relatively vagueness of this concept however might explain its expansionary discursive capacity as it is now widely used among a wide range of public and private governing actors (Personal observation, 2004). In a sense, 'partnership' as a discursive construct in governance arenas is a term that is 'inviting' actors to dialogue and negotiation, rather than 'dividing' them.

Table 6-3: Understandings of Actors in Relation to AREDS

<p><i>"Under AREDS, Mana Whenua (the local Maori/ author comment) came together for the first time in the region". (Local government manager, Informant 6, 2004) [1]</i></p>
<p><i>"We don't have an AREDS partnership yet. But it's still early days" (Local government manager, Informant 10, 2004) [2]</i></p>
<p><i>"The reason we needed AREDS as a strategy is that Auckland had no identity as an economy. It was a bundle of potentially competing, non-aligned, independent players. AREDS – principally – is about providing direction and then aligning people behind it. I still call AREDS a partnership because they all are prepared to talk to each other, they do work, even so most don't put money into it... has made virtually no difference so far". (Local government manager, Informant 36, 2004) [3]</i></p>
<p><i>"The partnership we want is joined funding, committing resources. Auckland has limited funding support and very little private sector involvement". (Central government agency manager, Informant 28, 2004) [4]</i></p>
<p><i>"...we haven't achieved anything...nobody would have ever heard of it. We may have set up systems". (Local government politician, Informant 5, 2004) [5]</i></p>
<p><i>"...was a wake-up call for local government to work together to stimulate economic development. They have done a lot of academic work to identify the initiatives necessary to put this region on the map". (Local government politician, Informant 41, 2004) [6]</i></p>
<p><i>"AREDS really is the creature of NZTE to bring some cohesion to the Auckland economy". (Public sector business leader, Informant 26, 2004) [7]</i></p>
<p><i>"...but it's only our first attempt". (Non-government sector business leader, Informant 4, 2004) [8]</i></p>
<p><i>"AREDS is under the Radar". (Private sector business leader, Informant 1, 2004) [9]</i></p>
<p><i>"AREDS had no clear Leadership. The only power they had was the potential loss of reputation if people didn't come up with something. Power really lies with central government, with the Prime Minister". (Private sector business leader, Informant 2, 2004) [10]</i></p>
<p><i>"...has not lived up to its expectations". (Private sector business leader, Informant 7, 2004) [11]</i></p>
<p><i>"AREDS came up with a view of what Auckland did well and what was not satisfactory. In looking at changes to improve the region's performance it is not easy to identify who should take the responsibility to improve the region and who should resource the actions required. (Private sector business leader, Informant 21, 2004) [12]</i></p>

Source: Author; [1-12] refer to the number of quote in Table for reference purposes

However, the widespread discursive uptake cannot mask the contradictory nature of 'partnerships', and therefore the capacity to cause non-alignment. For example, the degree of resource sharing - the key material dimension of partnerships - has been a source of strong disagreement. For a local government manager partnership is "something where there is a mutual commitment to achieving an objective. It doesn't have to be equal commitment" (Informant 36, 2004), while for a central government agency manager in charge of the technical aspects of economic development policy implementation the desired model is about "joined funding" (Informant 28, 2004).

These contrasting actor understandings highlight that economic governance, including the recent emphasis on institutional arrangements constructed as 'partnerships', are deeply contradictory. Thus, they give rise to ongoing contestations and struggles over resources and influence. These findings confirm Larner's (2003) assessment of 'partnerships' as "by definition, multiple and often contradictory" (145), and Larner and Craig's argument (2003, in Larner, 2003, 147) that "local partnerships are inevitably characterised by ongoing struggles over definitions, resources, relationships and values".

Table 6-4 provides an overview of actor interpretations on spatial interdependencies involving Auckland, from economic and political perspectives. The quotes presented in Table 6-4 A make visible the understandings by some individuals of a close connection between Auckland and the rest of the country in terms of economic interdependencies. These assumptions are held by actors from local business, local government and central government agency backgrounds and bridge elected, appointed and managerial positions. They validate findings of consultants commissioned by AREDS on this topic (Market Economics, 2002). A range of actors particularly acknowledge Auckland's economic uniqueness in the national context. A central government agency manager, for example, proposes that "Auckland already through size and scale generates a lot of activity. It is difficult to compare with any other place in the country" (Informant 29, 2004). But this is not a uniformly held view. A colleague from the same organisation, in charge of technical implementation matters, sees Auckland as not any different in terms of intervention technicalities as "the policy instruments are the same". Yet, interestingly, he admits that it is the most expensive region to operate in. These statements show that spatial equality is a key aspect of central government policy, although the effects on places may be very different. This policy approach is difficult to align with an increasing acceptance in governing sites of Auckland's particularity and importance in New Zealand's urban hierarchy.

Table 6-4 B illustrates the increasingly shared understandings among actors of the importance of Auckland's global connections in regards to its regional development. This link is made by actors across public - private institutional spheres (see [1] and [4]). The local-global nexus also features as central themes in national [2] and regional strategic initiatives [3]. Increasingly, the ways global connections are imagined by

Table 6-4: Understandings of Actors on Auckland's Spatial Economic Interdependencies

<p>A Understandings of actors on the economic interdependencies between Auckland and the rest of New Zealand</p> <p><i>"It's about how can we add value to our raw-materials. A lot of [such] processing is in Auckland".</i> (Central government agency manager, Informant 23, 2004) [1]</p> <p><i>"Economic development in Auckland has to do with Auckland's role in New Zealand, our role in relation to agriculture, horticulture and forestry. Auckland is a business service and financial services centre".</i> (Academic, Informant 37, 2004) [2]</p> <p><i>"Auckland's CBD is a facilitator to Auckland's Economy as well as to New Zealand's growth"</i> (Local government politician, Informant 9, 2004) [3]</p> <p><i>"...there is a good feeling in the city at the moment...commodity prices getting through to Auckland"</i> (Private sector business leader, Informant 2, 2004) [4]</p> <p><i>"People do understand if Auckland doesn't get its act together, New Zealand won't. But we have to do it first in Auckland, then the country will follow".</i> (Private sector manager, Informant 34, 2004) [5]</p> <p>B Understandings of actors on global connections/ global connectedness</p> <p><i>"What is economic development? With our new indoor arena, we will be on the Australasian entertainment circuit"</i> (Local government politician, Informant 9, 2004) [1]</p> <p><i>"International connection drives innovation, improved productivity, and economic growth"</i> (GIF, 2002) [2].</p> <p><i>"Utilise expatriate networks to provide specialist advice about overseas markets access and business opportunities".</i> (AREDS, 2002a) [3]</p> <p><i>"The 'Knowledge Wave' Initiative brought in overseas people so that we can learn from them".</i> (Private sector business leader, Informant 1, 2004) [4]</p> <p>C Understandings of actors on the relationship between central government and Auckland as a space of governance</p> <p><i>"Government has great difficulty to work in and with Auckland".</i> (Academic, Informant 37, 2004) [1]</p> <p><i>"There is a bit of a different view at Auckland in Government today as the city grew so much in the 90's and there are so many electorate seats. It was symbolically recognised with the Minister of Auckland, but I am not sure about the operational level".</i> (Central government agency manager, Informant 29, 2004) [2]</p> <p><i>"Central government needs to understand more about Auckland's distinctiveness and importance".</i> (Central government agency manager, Informant 13, 2004) [3]</p> <p><i>"New Zealand is the size of Sydney. The 'nation-building' project in Wellington is a problem. Auckland has to work harder".</i> (Private sector business leader, Informant 19, 2004) [4]</p> <p><i>"Auckland is an interesting place: we don't care about government unless we have business with them".</i> (Private sector business leader, Informant 19, 2004) [5]</p>
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Source: Author; [1-5] refer to the number of quote in Table for reference purposes

actors are premised on ideas of flows, and in particular on circular notions. Thus, connections with the 'global' are understood to be about linking local actors and spaces

into globally stretched networks and circuits (see [3]). In this regard, there is much to commend Le Heron's (1996a, 15) interpretation that "the two-way traffic interactions between New Zealand's territory and other places are increasingly about attempts to activate resources, ensuring they are valued in global circuits and networks"

Table 6-4 C highlights interpretations on the relationship between Auckland and central government actors. The general negative tone of these voices points to widespread dissatisfaction with the relationships between those two actor groups. Quotes [2] and [5] show that impulses to disengage where it is possible are mutual between central government actors and Auckland-based interests. However, and in partial contrast to the policy realm, there seems to be some increasing recognition among politicians in central government of the importance of Auckland in New Zealand's political and economic landscape [2]. This may also be influenced by the fact that the current Prime Minister, Helen Clark, is a 'quasi-Aucklander' as she has lived in this city for many years. This is a constellation that has not been the case in New Zealand politics for more than a decade.

In conclusion, this analysis shows that actor worlds are multiple and differing. Interpretations of actors involved in - or observing - initiatives, processes and relations in regards to managing Auckland's economy show large complexity and non-uniformity. While there is often non-alignment between actor views, nevertheless, the previous examples also show that assumptions and attitudes can be in alignment. These lines of discursive proximity cut across traditional state - business divides, as well as across central and local geographical levels. What assumptions and beliefs are held by individual actors is context-dependent, and may have more to do with their personal or professional pathways than with the views held by the current organisation they are working for. Interestingly, the relatively new discursive construction of 'partnership' invites many different meanings, yet it constitutes a powerful associative force in governance arenas. Overall, while some partial alignments of interests are shown, no assessment on the implications for investment processes can be made at this stage of the inquiry.

Construction of Actors' Intentions and Accomplishments in Governing

The individual constructions of actors' intentions in regards to governing as well as their views on the accomplishments in recent governing activity are revealing. They highlight that goals and achievements are perceived in soft-institutional categories such as changed values, perceptions, attitudes and conventions. For example, the current 'Committee for Auckland' chair claims that "[w]e started to change attitudes" (Informant 19, 2004). And a former 'Competitive Auckland' leader describes his vision of change agency as "[i]t's got to be quick changes around people and attitudes" (Informant 7, 2004). Among state personnel too, 'soft-institutional' factors such as "the awareness that our fortunes are tight together" (Informant 38, 2004) are seen as both, key intervention goal and achievement of the AREDS initiative.

Actors often use words such as 'realisation', 'awareness' and 'understanding' in combination with the words 'changed' or 'transformed' when they describe their interventionist goals, or achievements of their work. These self-appraisals point to the often discursive effects of governing activity aimed at transforming the Auckland economy. An emphasis on 'soft-institutional' dimensions in the evaluation of actors on the work of current economic interventions in Auckland also illustrates the role of institutions in the political - economic process and their task of providing stability of expectations in an uncertain and complex decision-making environment (Hodgson, 1993; Storper, 1997a).

Actor's assumptions about investment and governance processes are affected by their personal life history and life circumstances; and changes to these. In particular questions of ethnicity, the type and level of education, and issues of class and income play a role in how actors perceive such processes. The change of the physical locations of where someone lives his or her life - be it triggered through personal decisions such as the relatively typical 'overseas experience (OE)', or be it through corporate relocations - shape individual understandings too. For example, a MCC-based international economic development expert who recently arrived in the country saw intervention in his occupational field with rather 'US-centric' views and was repeatedly astounded about the low level of funding that circulates in this policy sector in New Zealand (Personal observation, 2004).

An equally strong influence on actors' views in regards to economic governance issues can be associated with their professional experiences and occupational roles. It makes a difference whether an actor has been a public sector official for many years, or a planner, or a lawyer. Different professional affiliations bring with it certain world views, customs and conventions. However, with a - by comparison - high job change rate in New Zealand, and 'hopping' between private and public sector employment being relatively common, assumptions held by an actor may have been formed by past work in a particular institutional or occupational role rather than by his or her current work environment. This situation puts a premium on exploring an individual's background and life pathway in research, rather than just accepting the current life and work arrangements as sufficient to explain particular views and assumptions. On a general level, these findings stress the importance of the immediate cognitive and physically experienced world of actors as a prime shaper of their assumptions and interpretations on wider societal and economic processes in contrast to more external influencers.

Actors' views on questions of governing Auckland's economy are also constructed on the basis of their position in regards to the capital accumulation process. Basically, there is a difference in perceptions and assumptions between investor and regulator. It raises the issue that certain 'deep-seated' assumptions are held about the role of the other actor - the 'investor' in the case of the regulator, and the 'regulator' in the case of the investor - that is hardly ever challenged in policy practice. Yet, often coordination problems in economic governance arenas can be attributed to such 'taken-for-granted-views' across the public and private sectors. Unchallenged perspectives in this context may constrain the possibilities that are open to relationship building and dialogue as a precondition for more effective coordination. Hence, they may reproduce exclusionary governance processes and antagonistic behaviours. In an increasingly complex and interdependent governance world, an informed and critically reflective understanding of the differing roles of public and private actors is a prerequisite to overcome deeply entrenched divisions. In fact, the challenge of views on the 'irresponsible' business people who ought to 'be regulated', and those bureaucrats that ought to be 'bypassed' or their power curtailed, must be a key governance goal in itself.

Changing Actor-Worlds through Participating in Governing Initiatives

Participation in governing initiatives has positive effects on changing understandings and assumptions among actors. Therefore, being part of an intervention project can be viewed as one source of new discursive actor alignments as assumptions and beliefs in regards to economic, territorial and governance processes are more likely to have changed than for non-participating actors. Changes among actors in comprehending their governance environment have concerned both, institutional factors such as the way interventions are organised and labour is divided, as well as the objects and goals of economic governance.

One of the most illustrative changes in this regard concerns the meaning of 'economic development' as it is constructed by particular actors and in particular governing sites. The AREDS experience shows that various stakeholders espouse different definitions. Interpretations include the promotion of various localised initiatives and the support of small business and community organisations as well as wider-ranging definitions that incorporate aspects that have - over the last two decades - not been part of the economic intervention tool box in New Zealand. In this context, a shift among some actors can be discerned from an understanding of economic development as a service activity to a definition that frames it as an outcome-centred 'macro-intervention' field. A local government manager, for example, stated that "[t]he greatest intervention into the regional economy is one in the area of physical infrastructure and the cultural environment of the region" (Informant 36, 2004). And a public sector economic development strategist raised the point that "[m]icro-interventions just don't cut it in the region" (Informant 38, 2004). She further explains that:

[e]conomic development is on the agenda now. It wasn't in any significant way ten years ago. Economic development was not recognised as a legitimate territory of intervention. In the last five years, skills and expertise have accelerated, people with knowledge. Five years ago economic development was subjectively defined by the institution who used the term, it depended on context...[t]here is now a much better understanding of the completely integrated linkages between achieving economic growth and what that means for growing the kind of society we want to live in. It's more complicated. The definition is much richer and wiser, it includes education and infrastructure, it's a lot about strategic initiatives and partnerships. (Informant 38, 2004)

There has been a learning trajectory at local state level in Auckland as a result of participating in governing projects. Among both state personnel and elected leaders who participated in the AREDS initiative for example, the awareness of the necessity of a regional rather than local or national response to the global challenges facing Auckland has been increasing. In this context an ARC-manager points out that “[l]ocal government has learned a lot from AREDS, the key lesson being the clear acceptance that a regional economic development role is needed” (Informant 36, 2004). However, not all actors have changed their assumptions about the scale of strategic economic intervention. A central government agency manager conceded that “[e]conomic development is probably better understood by certain councils than before, and partnering on officer level has improved, but not on a political level” (Informant 23, 2004). The last quote points to the uneven learning effects across the geographical and institutional layers of Auckland’s local state space.

Changed assumptions can also be linked to personal relational areas. For example, the encounter of business people from ‘Competitive Auckland’ with local state leaders during AREDS created mutual respect and appreciation (Private sector leader, Informant 2, 2004). Deeply held assumptions about the aspirations and work modes of the ‘other’ may have been challenged in the regional engagement process. These developments may lead to renewed or more effective engagement in Auckland’s economic governance arena in the future.

On reflection, actor-worlds may be difficult to change. Particular assumptions can be forged through broader experiences that are deeply embedded in local context. For example, in relation to the relationship between the economic and social in current governing thought, a claim was made at MCC that “[e]conomic development is the driver for quality of life. You got to increase the size of the cake” (Local government manager, Informant 6, 2004). This conceptualisation is understandable given the negative effects of restructuring on the people and businesses in Manukau that triggered the creation of more economic-focused perspectives on the objective of public intervention. It is uncertain to what degree this assumption could be changed through participating in wider regional initiatives. Serious problems to change assumptions held by the public was experienced by the ‘Knowledge Wave’ project during the stage of the first conference (Project manager, Informant 45, 2003). Public views about the

relationship between the economic and the social-environmental spheres were difficult to change, despite extensive coverage of this initiative in the news media.

Finally, it can be argued that the current governance moment in Auckland creates insider-outsider dichotomies. Changed understandings in governance arenas occurred unevenly as some people and institutions that participate in governing projects change their assumptions along the way, while for outsiders - people excluded, or at best, represented in such arrangements - perspectives are changing much slower. Telling quotes by a local government leader (Informant 5, 2004) such as “nobody would have ever heard of AREDS” and “very few people had any idea what the ARC does” highlight this crucial dimension of transformative discursive change through participation in governance projects, or ignorance as a result of absence. This finding calls for more participatory forms of interventions, supports the need for ‘learning-in-action-frameworks’ in governing work (see Thrift, 2000) and raises the issue of how to best communicate insights gained in interventionist projects to people on the ‘outside’ under current governance conditions.

This section focused on the diverse and multiple constructions of actor-worlds; the differing assumptions and interpretations of actors on their wider context of action as well as their strategies for action. These particular forms of how wider discourses are constructed in individual actor contexts reveal lines of alignment and non-alignment across institutional and geographical spaces. It has been shown that discursive alignments, or commonalities in actor understandings about the workings of economic and governance processes, the expectations in regards to influencing the economic sphere in general, and the decisions of other actors in particular, and the attitudes involved in political and economic decision-making, are emerging. Through participation in particular governing projects such as AREDS and ‘Competitive Auckland’, assumptions about economic and governance processes are shared among actors. Through the wider influence of policy discourses, debates and opinions are shaped in particular ways. Personal and institutional networking too led to shared understandings of the world, and the place of actors within it. These alignments make people, organisations and places start to see the world in more similar terms. Through these multiple developments, some structural coherence can be expected to emerge that can induce constitutive effects in the form of more overall directionality in the ways

decisions are made in political, policy as well as investment arenas in, and for, Auckland. But these alignments are fragile achievements, always contested by the politics of intervention and by the multi-directional nature of political and policy projects. Clearly, the observable alignments of interests in Auckland's regional economic policy world are always tentative and never perfect. The next section outlines the implications of the discernable lines of discursive cohesion for institutional and policy transformations within Auckland's and New Zealand's state-regulatory apparatus.

Effects of Context-Dependent Discursive Alignments of Governing Interests for a Re-Working of the State-Regulatory Apparatus and Policy Development

Effects on State-Regulatory Apparatus: Changed Relationships and New Institutional Responses

One of the key questions that arise from recent engagement in Auckland's economic governance arena is the level of alignment between different state actors, which in turn can create better conditions for influencing private investors' behaviour. Alignments in the narratives that are told by actors had effects on the relationship between Auckland's local state and the central state in Wellington. It influenced public re-investment into New Zealand's largest city-region. The more unified story on 'the under-funded region' that was constructed in the policy area of transport and infrastructure through the work of ATAG (see Chapter Five) contributed to a re-commitment of central government to increased public investment streams into Auckland. In economic development, the unified front presented by Auckland's local governance stakeholders also unlocked financial resources under the RPP. Current policy work in the Metro Project is centrally concerned with central state re-investments into the region, for example in relation to infrastructure developments required to successfully host the Rugby World Cup in 2011 (Metro Auckland Project, 2006b).

The expansion of the central state into Auckland's economic governance space can be seen as a trajectory that was influenced by symmetries in assumptions about nature and form of interventions in the current moment. Thus, NZTE can be understood as an institutional effect of aligned interests from central government, the local business

sectors and the bigger Auckland councils. All these actors have a similar understanding of contemporary economic interventions as supporting local firms globally and as focusing on assistance in value-adding and knowledge-rich activities. Another example is the creation of GEUDO that can be viewed as an institutional response to greater alignment in thinking between central government and Auckland's councils. Discursive alignments between the 'Knowledge Wave' and central government were one of the foundations for the creation of GIF, which in turn heralded the beginning of more focused state intervention in particular industries. Similar interpretations on the importance of a regional economic development agency between 'Competitive Auckland' and MED as well as NZTE contributed to the re-emergence of a regional state actor in Auckland engaged in economic development planning and delivery in the form of the ARC.

The discursive alignments among some actors also had effects on the institutional sphere of the local state in Auckland. The bigger councils in the region - ARC, ACC, MCC and WCC - are said to work together more collaboratively partly as an outcome of AREDS. For example, the local EDA's have created AREDA - Auckland's Regional Economic Development Association - to better coordinate the delivery of economic development services to local constituents on a regional level. Many actors have accepted a new key role of the ARC in leading regional economic development planning and delivery in Auckland. That was very different just 4 years ago where the ability for the ARC to lead in this policy area was questioned for cultural and institutional reasons as the organisation was perceived as a typical regulator, rather than an actor that can work with business and facilitate investment processes (Personal observation, 2002).

New relationships emerged between local state and local business. For example, 'Committee for Auckland' is now more actively involved in advising the ACC on matters of urban development. As a private sector leader involved in this initiative proudly commented; "we identify gaps and opportunities for Auckland in the process of working with local politicians. The best minds are mobilised to council for free" (Informant 2, 2004). This form of engagement can be linked to the emergence of what can be perceived as third party institutions such as the New Zealand Institute and 'Committee for Auckland' in the institutional landscape of Auckland's economic

governance. These structures are now part of the political and policy landscape that influences state-regulatory processes. The former actor, for example, has become influential in informing central government's as well as the opposition's thinking on issues such as economic development and superannuation (New Zealand Herald, 2006).

Discursive alignments influenced not only institutional relationships, but also personal ones. New and deeper affiliations have been developed between people on political and officer levels in some regional sites that lubricate the coordination of economic intervention issues. For example, there has been a deepening work relationship between two managers of the ARC and ACC over the recent years as they met frequently as part of the AREDG and AREDS initiatives. This personal alliance has positively influenced the synchronisation of governance action across the region. Such strong inter-personal relationships on officer level based on trust and similar views on policy issues can create better conditions for institutional engagement. This finding supports Jones' *et al.* (2004) claim of the importance of state personnel for governance outcomes and Jessop's (1997) proposition on the importance of building inter-personal trust in reducing governance disharmonies.

Regional Policy Coordination and New Discursive Reference Points for Public Policy Development

One key outcome of the context-dependent discursive alignments of governing interests in Auckland's post-restructuring period are improved conditions for policy alignment on Auckland's regional scale. The work of recent governing initiatives has increased the likelihood of better policy coordination in a number of intervention fields. One area of alignment concerns the integration between transport and land-use. In this context, central government has lately become a key influencer in synchronising policy processes through increased funding. However, the actual stage of alignment between these two policy fields is perceived rather critically by other local government officers. An ARC manager in charge of strategic work across individual policy portfolios finds that "the RGS and the RLTS are beyond the honeymoon stage. We agreed, but it's not happening on the ground" (Informant 10, 2004). Much of future integration of these different sets of processes will depend on the relationship between the institutions in charge of strategic planning for each policy field, the RGF in the land-use area and the newly created transport planning agency, ARTA.

Current policy integration is also happening between regional land-use and economic development. A decade ago, the RGF was initiated as a response to population growth pressures. It is an initiative that has been “about creating infrastructure where the economy can flourish. Not growth promotion, but the context of growth. It’s the canvass on what the tapestry of growth is woven” (Local government policy analyst, Informant 35, 2004). Slightly earlier, economic development in Auckland emerged as local responses to the central government intervention gap left by the neoliberal reforms, and the need to support actors struggling with restructuring outcomes. Through AREDS, economic development activity and planning has been up-scaled to a regional level. Both regional policy projects - the RGF and AREDS - are now intersecting and interacting. For example, a business location project is currently under way that attempts to investigate business needs in terms of location and infrastructure requirements (ARC, 2004b). As a telling response, a central government agency economic development adviser to the region suggested that these “[b]usiness location data are now ripe for having an economic development lens over it” (Informant 11, 2004).

Recent governance initiatives added to changes in the assumptions that underlie public policy development. They contributed to new ‘taken-for-granted’ truths that economic growth is about knowledge industries and creative sectors, and that economic development needs to be sustainable. Economic growth problems are also much more thought about as ‘urban’ issues now, where cities are seen as growth engines as well as arenas of growth-related social and environmental problems. New categories for thinking about these topics such as ‘quality of life’, ‘sustainability’ and ‘urban development’ have become part of the day-to-day policy discourse. These terms help to bring together different policy perspectives and to integrate previously separate policy worlds, therefore leading to policy integration and increased institutional engagement.

In Auckland’s recent past, land-use planning on a regional level had been dealing with the effects of development on people, communities and places. Now, the planning of the physical environment is increasingly understood as one of the key factors in influencing Auckland’s globalising economic development. In order to be globally visible and to attract people and investment, Auckland is constructed as having an appealing lifestyle, well-functioning infrastructure and an aesthetically pleasing urban form. In this regard,

Auckland's urban fragmentation, without a clearly articulated physical centre, is seen as policy problem. Thus a series of current initiatives focuses on the revitalisation of the inner city, among them the business group 'Heart of the City', 'Committee for Auckland', ACC with its CBD-strategy and the currently highly publicised redevelopment project of the 'Tank farm'¹². Many ordinary planning and service delivery activities of the local state such as paving the footpaths are now re-thought and renamed in reference to the global (City Scene, 2006). The question arises to what degree this highly aspirational local policy discourse leads to real material changes in the ways urban development is undertaken in Auckland. More generally, it can be argued that the alignments of the policy fields of transport, land-use and economic development in Auckland are increasingly governed by an emerging globalising governmentality (Larner et al., 2005).

Among the constitutive effects of discursive alignments between governance interests in Auckland has been the use of the strategic framework of AREDS as a discursive point of reference for state and quasi state policy processes. This outcome may be perceived as a potentially important effect for future economic regulation processes as the AREDS objectives will be likely to be constantly 'taken into account' by other policy actors. This informed speculation can be supported by the statement of a local ARC-manager that "AREDS - principally - is about providing direction and then aligning people behind it" (Informant 36, 2004). This particular governance effect can be demonstrated by the re-occurrence of AREDS programmes and objectives in the Metro project, enmeshed though with new global influences in form of OECD-best practice, and national ones in form of labour productivity considerations.

AREDS is also a reference point in central government policy work. From this perspective, it can be understood as a vehicle for moving other initiatives forward, while it repositions Auckland's economic transformation more prominently in wider public policy discourses. For example, AREDS recently emerged under the RPP umbrella in the 'Sustainable Cities and Urban Affairs' work stream in the inter-governmental 'Quality of Life' project. It shows that under current conditions of discursive complexity in New Zealand's public policy, there is a likelihood of unexpected appearances of one initiative in the documents of another policy project. This happens

¹² Tank Farm is an area of previously industrially used land right at the waterfront in Auckland's harbour.

with unknown effects, as there is limited individual or institutional control over such 'discursive travelling'. Overall, these findings point to the importance of discursive reference points in the current governance moment that is - analysed critically - largely constituted by 'cut and paste' approaches to policy development.

Challenging a 'Cut and Paste' Policy World: Knowledge Production and Research Trajectories for Sub-National Economic Interventions

Understandings of regional and economic processes and the effects of political and policy interventions have increased in recent years. This knowledge production- and research trajectory is in a relatively early phase after the comprehensive shift to market-led governance under the neoliberal reforms and the associated widespread absence of state intelligence on the transformed New Zealand's economy. The analysis of political and policy initiatives that dealt with Auckland's actors' investment processes over the last one and a half decades shows that public sector policy knowledges are often created in 'cut and paste' fashion. This work mode mostly involves a stock-take of past policy work and research (see for example Synchro Consulting, 2001), a gap analysis, and the commissioning of private consultants to undertake new research that will fill the gaps. (Personal observation, 2002). The findings of this thesis attempt to challenge this narrowly constructed policy knowledge production mode and highlight alternatives.

More accurate representations about the economy may be created in cross-institutional knowledge production processes. As shown in the geography-policy teaching/learning experience at the University of Auckland, there is a chance for experimentation in the production of embodied policy- and policy relevant knowledges in sub-national spaces. As the research support project for a visiting international 'academic celebrity' shows, the alignment on views of cross-institutional collaboration in knowledge production and dissemination between the University of Auckland, the 'Knowledge Wave' initiative and ACC allowed a local research project to take place that provided a valuable contextualisation of important overseas policy ideas. There could be more incentives for actors to engage in these forms of cross-institutional knowledge projects, and efforts should be made for their subsequent institutionalisation.

Under recent engagement and alignment processes, *global* knowledges on regional and urban development have been inserted in local state processes that have been largely

absent previously. For example, the enrolment of privately produced knowledges through 'Competitive Auckland' into public policy processes under AREDS allowed global best practice and benchmarks to be known to local policy makers. International guest speakers have repeatedly informed local debates on economic and urban development issues. Very recently, this trajectory has expanded in the Metro Project that assembled the expertise of international policy advisors. Importantly, these processes have been matched by the incorporation of specific *local* expertise into Auckland's policy making. For example, contributions from local academics and input from private local consultant's in research under the AREDS and the Metro Projects allowed a contextualisation and translation of the imported global knowledges in reflective ways. Policy should be informed by carefully combined global and local results of learning.

The findings of this research demonstrate that there is a limited understanding of Auckland's economic policy challenges among local state actors. After the neoliberal reforms transformed the institutions and capacities of the state in New Zealand, knowledge about increasingly globalising economic processes have been largely guess work, hope and speculation rather than well-informed and robustly researched empirically-grounded knowledges. Increasingly, emerging research trajectories provide more accurate knowledges about what is known, or put more precisely, about what is not known. Research conducted under the RGF, AREDS and the Metro Project, in conjunction with multiple local and central state research trajectories that have emerged in an evidence-based policy environment, illuminate the wide knowledge gaps that exist about actors and processes that are to be governed by state-regulatory structures.

One promising trend that will help to address this knowledge gap is an increasing disaggregating of data available from total figures on industries and sectors on national scales, to context-sensitive data on economic and regional actors and processes they are part of. Calls for this shift of how data are compiled (Le Heron and McDermott, 2006) are beginning to get answered (Fairgray, 2006) as there is more experimentation with regional data-sets in central state sites now (Statistics New Zealand, 2006). New sets of data could be the basis for producing more accurate policy knowledges in Auckland, including detailed information about the processes and environments economic actors

find themselves in, about their decision-making perceptions and practices, and about the opportunities and limits of public interventions.

Effects of Discursive (Non)-Alignments of Governing Interests on Influencing Private Investor Decision-Making

Remaining Generic Translation Problems between Regulators and Private Economic Actors: Largely Distant Actor Worlds

The insights from investigating economic governance arrangements and processes in post-restructuring Auckland reveal that the largely distant actor worlds between regulators and private economic actors have not, in any significant way, been brought into closer proximity. Among others, motives for work, languages, every-day work modes, skills, time horizons for strategic decisions and approaches to risk-taking remain markedly different between public and private sector actors. This broad observation highlights the need to challenge existing thinking and established practice among state-regulatory actors, but it also calls for more translation efforts and infrastructures in between both - the worlds of state and private economic actors.

Motives for work are differing between them. Public sector actors are part of political processes that attempt to influence the conditions for the competitive economic processes, and that try to absorb the social costs associated with their impacts. The prime motive for private economic activity is to make a profit. The different motives create contrasting mind-sets, priorities and ways of acting. A significant area of contention and a serious barrier to effective private sector investment mediation is a 'lack of understanding' of the different work modes across the public-private divide. Put simply, government plans, business executes. It is unsurprising then that communicating across the public - private divide has been considered difficult. An ARC policy professional points out:

In some ways public-private engagement is better now, in some ways not. The fundamentals haven't changed. Government has a long-term focus, a 50 year, 30 year horizon. Business thinks short-term, maximum five years. Our languages are totally different. What drives the public sector is political consideration. The private sector is maximising resource efficiency. The public sector challenge is to translate its own views into the language of business, into short-term

economic language, so that the private sector can understand. (Local government policy analyst, Informant 35, 2004)

This statement illustrates the importance of communication and dialogue between politicians and policy makers and private investors. This in turn could create deeper connections between public and private sectors that could allow - at least theoretically - opportunities to alter private investment behaviours.

Public and private sectors are also characterised by different work modes. There are tensions between efficiency and accountability, as well as between project and process forms of execution. Referring to the AREDS context, an ARC-manager stresses that “the private sector ignores process, blames it, or believes it too much” (Informant 36, 2004). In a public-private partnership situation such as AREDS, a key dilemma was what Jessop (1998, 41) calls the “unstable mix of co-operation and competition in capitalist economies”. The uncertainties around the mode switch between these two central aspects of economic endeavour can be seen as an enduring problem in attempts to influence investors through political intervention.

The ‘partnership’ model has not really made a difference to these fundamental difficulties in influencing accumulation decisions. This assessment can be validated by an observation from within AREDS that reveals that the stakeholders’ role in the partnership is compromised by the competitive nature of economic development funding processes (Personal observation, 2004). And a participating local government economic development expert finds that “to date, there is a common strategy, but there remains very little co-operation or coordination among all of the stakeholders” (Rowe, 2004). Evaluating governance aspects in public-private partnerships in general, two central government policy analysts explain that

...a key risk factor for regional partnerships and governance is the different timelines and resources that stakeholders face in partnerships. For example, business needs for early results do not always sit well with structural and process requirements of local government and iwi...Given the emphasis on partnership-building, this is a key shortcoming of the RPP, but also one potentially difficult to resolve, as timelines and expected outcomes for business will remain different from those of other partnership participants. (Schoellmann and Nischalke, 2005, 85)

The context-dependent institutional factors with regards to the difficulties of bringing both actor worlds into closer proximity are notable too. Business in New Zealand is predominantly small. There is a traditionally weak business system in this country and an individualistic local culture, which has been deeply entrenched by the impacts of the neoliberal reforms. As a local government manager suggests; “there is a lack of capacity in the private sector to take on responsibility for the wider public good. And there is a lack of skills to communicate across boundaries and to engage” (Informant 36, 2004). The public sector on the other hand had been reduced in size and thoroughly reformed during the 1980's and 1990's. Therefore, it had been dealing with many internal issues of adjustment. This situation has meant that until recently, engagement capacity and potential on both sides had been low. One of the promising trajectories of the recent decade is a higher level of self-awareness in both sectors that may lead to new engagement.

Given the outlined differences between perceptions of regulators and private actors, better mediation and translation between both actor spheres may be seen as a viable road for better cross-sectoral understanding. Over the recent years, intermediaries such as brokers and facilitators have increasingly provided a link between and within public and private organisations to overcome this problem. For example, ‘Committee for Auckland’s role as a mobiliser and broker in corporate negotiations in Auckland’s ‘Learning quarter’ project (Committee for Auckland, 2004) highlights the need for such third party mediators in the current governance moment. In sum, despite many challenges, twenty years after the onset of the neoliberal reforms in New Zealand, more people and institutions are now comfortable with working across the interface between public and private sectors in economic governance arenas.

Discursive Mediation of Auckland’s Economy and the Limited Alignment of Current Policy Ambition with Private Actors’ Investment Decisions

Interventions into Auckland’s economy over the last decade have largely been about the discursive mediation of economic and territorial processes. Institutional arrangements such as the RGF, AREDS, ‘Competitive Auckland’ and the ‘Knowledge Wave’ have attempted to influence investors and regulators largely through non-material means. In addition, much power over the allocation of resources to affect investment behaviours in Auckland are not directly possessed by local forces. This situation requires Auckland-

based actors to seek co-operation and influence with non-local actors such as central government agencies. One way of showing these tendencies towards discursive regulation and non-local mediation of local economic intervention under current conditions is a textual analysis of strategic documents. This has been done for the RGF and AREDS.

The RGF uses words and phrases in their main policy product, the RGS (RGF, 1999b), which reveals the voluntary nature of implementing the agreed goals. For example, state investors such as funding bodies and infrastructure providers are supposed to allocate funding which is *not inconsistent* with the RGS, and should *take into account* their objectives when deciding on investment priorities. Central state policy makers are urged to coordinate infrastructure provision with the strategic goals of the RGS and to *take them into account* when preparing policy. Finally, private sector actors such as developers, business associations, land owners and transport operators are invited to *participate* in the development of the strategy - and again – to *take it into account* when planning for, and investing in, development and business projects. These findings demonstrate that - even in an initiative that is largely public policy and state centred - implementation cannot be legislated for, but rather depends on the potentially problematic and contingent properties of stakeholder buy-in of wider strategic objectives and the good will between actors to negotiate action.

Thus, the RGF is an example for the largely indirect nature, and therefore highly mediated forms, of sub-national economic management in New Zealand under globalising conditions in a partly 'after-neoliberal' environment. In this context, the link between strategic public good planning and its associated institutional architecture, and the investment decisions of the private sector is not straightforward, but needs to be understood to evaluate the regulatory impact of this initiative. A public sector expert on the RGS illustrates this point very well:

I don't think we have private sector investment changes because of the Growth Strategy. It's more indirect. When a piece of infrastructure under the Regional Growth Strategy and the Regional Land Transport Strategy such as the North Shore Busway is put in place than the private sector decision-maker will acknowledge that a value is attached to the resources - and automatically investment decisions will be different. (Local government policy analyst, Informant 35, 2004)

AREDS, as a much wider-reaching public-private institutional project as the RGF in its attempts to penetrate private investment circuits, shows similar discursive tendencies - albeit expressed in a more ambitious tone. Table 6-5 illustrates how the influence of this institutional arrangement on regional investment processes is discursively constructed. A textual analysis shows clearly that objectives that fall into the local, largely state-mediated sphere are understood to be achieved more directly than those that concern local-global dimensions in a largely private sphere. In terms of local- global economic processes, it is acknowledged that there are limited capacities to affect economic actors' behaviour directly, as words such as 'support', 'encourage' and 'promote' point to the facilitative nature of this intervention, and the rather passive role of AREDS in changing private investor behaviours. In regards to local and state-related processes, more mechanistic phrases such as 'provide', 'produce' and 'deliver' express a more direct relationship between governing process and outcomes, thus ascribing AREDS a more active intervention function.

The different degrees of influencing investment streams - demonstrated through the direct influence score derived from an analysis of the wordings in the strategic

Table 6-5: Critical Textual Analysis of AREDS - Influence Score for Strategic Directions

<i>AREDS – Strategic Direction</i>	<i>AREDS - Strategic Objectives</i>	<i>Activity Word/Verb</i>	<i>'Direct Influence' Score</i>	<i>'Total Influence Score' for Strategic Directions</i>
Outward Focus: Connecting to the World	Promote Auckland Region	Promote	2, medium	6/12, medium
	Encourage Innovation	Encourage	1, weak	
	Develop Overseas Markets	Develop	2, medium	
	Support Exports	Support	1, weak	
Platform of Exceptional People, Cultures, Environment & Infrastructure	Provide a High Quality Living Environment	Provide	3, strong	11/12, strong
	Build an Entrepreneurial Culture	Build	2, medium	
	Produce a Skilled, responsive Labour Force	Produce	3, strong	
	Deliver a High Quality, Responsive Government	Deliver	3, strong	

Source: Author

Note: Key for influence score - 1 weak, 2 medium, 3 strong

documents of AREDS - also reveal something about the discursive or material nature of the regulatory arrangements. In this context, a low influence score may be linked to predominantly discursive regulation, where stories, benchmarking and indicators may

play a particular role, while high scores may be interpreted as reflecting more material forms of regulation. The promotion of export and entrepreneurial activity can be viewed as an intervention area with a relatively high content of discursive regulation. In contrast, local platform building is a policy area much more in reach of material practices of the state. One could argue however, that a somewhat over-optimistic phrasing is used for the objective of 'producing a skilled, responsive labour force' (Score 3). The phrasing of this objective suggests a strong influence over the outcomes of the regional labour market, which is misleading. Given the real power distribution in a strongly market-driven tertiary education model, adjustments towards more strategic resource allocation and more collaborative relationships are hard to accomplish. They are just beginning to be addressed under the influence of TEC.

A key method in discursive governmental practice is the activation of a single narrative on Auckland. The stories of a global city-region, an Auckland incorporated in an Asia-Pacific city network, a global city, a cosmopolitan region with a high quality of life, are all promoted by particular state and business interests on the assumption that in a world made up of flows, a single powerful message - or what 'Competitive Auckland' calls a value proposition - will attract global flows of capital and labour. This policy trend is problematic however. This study highlights that actors hold a multiplicity of assumptions on governance-related problems and solutions. They have widely differing perceptions and interpretations of processes that occur around them that cut across traditional institutional divides like public and private sectors. At the same time, there is alignment among certain actors and in regards to particular issues; and these are shifting. The current push for single narratives in the policy world and the richness of actor experiences and actor contexts are a severe mismatch. In this regard, the current governance moment is characterised by a crude and misleading simplification of reality. This makes it highly likely that governmental ideas and stories are not appropriated by economic actors.

Moreover, discursive 'at a distance' governing practices such as 'story-telling', benchmarking and indicatorisation need audiences to absorb them. But who will listen to these stories? Will a busy private sector executive or an owner-manager listen, and act accordingly? Which business leader will expand local production into the unknown and risky world of overseas markets because of a story told by regulators and other

governance interests? These points raise the importance of evaluating the regulatory effects of discursive alignments against material incentives more critically. These thesis findings make it obvious that some policy prioritisations are needed, particular incentives and disincentives to have more direct effects on private sector decision-making processes. In the specifically challenging context of globalisation, intervention into a small and isolated economy such as New Zealand's needs to be more strategic, selective and risk-embracing. This approach will challenge some neoliberal assumptions about the 'level' playing field and intervention understood as merely 'addressing market imperfections'. More supportive intervention rather than currently fashionable facilitative forms will also mean more politically induced rather than market-produced unjustness as there will always people, firms and regions missing out on incentives and others will pay more tax for giving tax-breaks to some.

Current trajectories of economic governance must be seen in perspective. While some Auckland firms producing in particular industries such biotechnology and the creative sector enjoy preferential treatment in terms of NZTE-assistance across their value chains, one needs to ask about the scope of such highly targeted intervention compared with the rest of Auckland's economy. Surely, this segment of the economy is very small in relation to the totality of Auckland's businesses. These actors are supported by a central state agency, not by local actors, which confirm literature claims about the importance of the national state in shaping accumulation conditions for actors in its territory (MacLeod, 2001; Jessop, 2002b). It is not surprising then that the subjects of local intervention initiatives such as the Metro Project after initially addressing issues related to transforming Auckland's economy, focus relatively quickly on issues of social reproduction and local consumption such as infrastructure, land-use, events, living quality, heritage and environmental concerns (Metro Auckland Project, 2006b; see Jonas and Gibbs, 2003 and Jonas and Pincetl, 2006, for a discussion).

Supportive forms of intervention will face new challenges. A key problem is the alignment of the interests of the many small firms that feature so prominently in Auckland's economic landscape. A governmental objective is the bundling together of largely competing local firms in order to promote exporting activity. Another governance challenge lies in the approach towards the one or two large firms that dominate many industries in New Zealand, for example Telecom in the

telecommunication sector and Fonterra in dairy production. In this context, there is tension between potential rent-seeking under further monopoly positioning of these actors within their industries if more targeted intervention focuses on influencing these dominant players (e.g. through export promotion, tax-breaks or other subsidies), and the neoliberal ideal of well-functioning markets in 'level playing' fields underscored by effective competition policy. A different problem is that support of firms that fit into the GIF-category - knowledge and creativity-intensive activity - may not address the areas of the economy that produce most jobs for the local population. Hence, local political resistance can be expected that may lead no new institutional forms of economic governance that are further removed from political oversight.

Regulatory Possibilities and Constraints: New Conditions for State – Private Investor Relationships

During the post-restructuring period, new conditions for relationships and interactions between the state-regulatory apparatus and private investors have emerged. The creation of a regional mandate of economic development in Auckland allows a broader view at the economic relations and complex spatial and functional relationships that constitute the economy of New Zealand's largest city-region. On this basis, new patterns of economic interdependencies such as clusters, agglomerations and networks can be identified across council boundaries and support activity can be re-thought and re-designed. New region-wide leadership and delivery structures have emerged under the ARC. And more collaboration in Auckland's economic development community has enabled - at least in theory - the creation of a more unified regulatory interface with businesses in Auckland.

Another area where discursive alignments within the state-regulatory apparatus have led to new conditions for forming linkages and relationships with investors that previously did not exist is the insertion of high-quality private sector expertise and influence into local state processes, which in turn facilitates possibilities for more effective work with local and global investors. The most prominent example for the enrolment of high profile business people as advisors to regional economic development processes is the membership of Craig Norgate, the former CEO of New Zealand's largest corporate organisation, Fonterra, on the advisory panel of Auckland's regional economic development unit. Another interesting case where top business skills and experience

were able to be utilised for the good of Auckland's economic future was the visit of an international group of economic development experts as part of the Metro Project, which included the advisor to the British Prime Minister Tony Blair on regional and urban development issues. Several years ago, these embodied business and governance expertise would have bypassed Auckland's local government.

In general, promising trajectories of actor engagement between local state, business and community interests on a regional level in Auckland can be observed. These allow new opportunities for dialogue and negotiation to occur, as well as possibilities for encounters and interaction between actors from very different institutional backgrounds that might lead to alternative transformational action. In addition, during these processes, actors are getting to know each other. They become aware of their differences and similarities in areas such as languages, work motives and work modes. On this basis, adjustments of actor-worlds can happen and associative practices can lead to new forms of interaction, co-operation and collaboration.

There have also been effects of alignments among governing interests in terms of state-investor relationships on a micro level, involving institutional and personal learning experiences. The familiarisation of 'Competitive Auckland' with public sector organisations, officials and work modes for example may be seen as a precursor for valuable subsequent engagement of 'Committee for Auckland' members in other multi-interest governance initiatives. Those familiarisation processes should also apply to state personnel involved in dealing with private sector interests. At the personal level, it says a lot that the previous AREDS chair Peter Menzies is still heading current regional economic governance processes in Auckland. One might speculate that AREDS has given him useful personal experiences in leading a governance initiative across public-private sectors, as well as it allowed him to build relationships with other actors and investors so that he can now give guidance and direction to the Metro Project.

One key effect of recent alignments lies in the clarification of understandings of the particular roles of state and business in New Zealand's and Auckland's economic transformation. After years of a clear-cut separation of public and private roles in New Zealand's political economy, the current regulatory moment requires more active engagement between both spheres to sort out roles and responsibilities. In the

particularly challenging context of the increasing economic integration of New Zealand and Auckland in the world economy, and the ongoing need to diversify the local economic base, these clarifications are necessary to better coordinate wealth creation that reconciles social, cultural and environmental goals in the best possible way.

Against this background, recent institutional engagement achieved - to some degree - a better clarification of roles between actors. This in turn facilitated a general policy thrust towards more economic diversification. The 'Knowledge Wave' initiative has been influential in this respect, as subsequent public-private engagement contributed to GIF as a more targeted approach to the management of some key sectors in the economy. Under this policy framework, relationships with investors in areas of new economic activities are being created; a precondition for channelling capital into these perceived growth sectors.

In Auckland, the intersection of this sector approach to economic transformation, with a regional approach to economic change through AREDS, led to more targeted and strategic state engagement in particular areas of the regional economy that are perceived as profitable in the future, such as the film industry or the broadband sub-sector (Informant 21, 2004). Yet, despite the speculation about some changes in the way private investments will be allocated because of new governance initiatives, the comparative on-the-ground impact of such forms and the current extent of state-economy interaction on Auckland's vast regional economy can be assumed to be relatively small.

The last assessment holds true also in light of other evidence. Strategic alignment on central government level moderately affected investment changes in Auckland as well. Under NZTE, a comprehensive value chain approach to firm support from early business growth to successfully marketing products in lucrative overseas markets has been developed in targeted sectors. This form of stimulating expansionary economic processes resulted in a range of initiatives, of which the 'Beach Head initiative' was just one (NZTE, 2005d). Under this particular technology export promotion framework, 18 New Zealand firms received more favourable conditions for accessing overseas markets, which included the ongoing access to networks of US and UK-based advisors.

However, there has only been a limited impact on the Auckland economy with just eight local firms being affected by this particular intervention scheme.

Finally, the recent transformations in economic governance of actors and activities in Auckland contributed to political conditions more in favour of targeted and supportive state intervention. So are some central government interests such as the new economic development Minister Trevor Mallard as well as a leading politician of the opposition more conducive to supportive intervention schemas now. New thinking around exporter subsidies, and more innovation and global focus in state-owned enterprises can be partly associated with the work of the New Zealand Institute (Skilling and Boven, 2005), an off-spring from the 'Knowledge Wave' initiative.

Remaining State Problems: Aligning the 'Contradictory State' and Increasing Regulatory Capacities

Some of the remaining problems in the management of economic processes in Auckland can be associated with the 'contradictory state'. Far from being excluded from the contradictions of capitalist development, the state is itself a terrain for non-alignment and struggle. Among other reasons, governing resources are distributed unevenly, organisational logics within the state apparatus may differ, the work modes and aspirations of different state actors may collide and the technical mentalities for intervention may be contradictory. These areas of non-alignment within the state-regulatory apparatus have implications to what degree private investor decision-making can be affected.

The findings of this dissertation show alignment problems within New Zealand's central state in regards to sub-national economic intervention. For example, while one central government agency regional advisor stresses the role of clustering in Auckland's economic management (Informant 11, 2004), another Wellington-based manager of the same agency in charge of knowledge production claims that "cluster-activity in Auckland is probably the weakest in New Zealand" (Informant 27, 2004). This comparison shows contrasting interpretations within one organisation on the effectiveness of particular ideas in spurring regional development in Auckland.

Another example illustrates the material implications for regional governance in a different New Zealand region of different institutional and policy logics within the

central state. In the Nelson-Marlborough context, a central government policy adviser noted that central government funding sources have specific objectives that, though relevant to regional development, may not necessarily concur with regional development objectives. For example, NZTE funding was available at the regional level for a Nelson-based regional development initiative, one component of which involved scientific research to be conducted by a local crown research institute. The central government's science funding is allocated however on the basis of science quality, rather than regional development. Hence the crown research institute was faced with an extra hurdle - that of showing superior science quality to other contenders for the funding - before it could be awarded the funding, which it would apply to the regional initiative (Informant 24, 2004).

Another example reveals governance struggles within Auckland's local state. While the ownership of Auckland's seaport was transferred to the ARC in 2004, just two years prior ACC had sold its shares of the airport under the premise of raising capital to pay off debt. Through these contradictory moves, a strategic and integrated management of key assets of Auckland's economy had been hindered by competing political aspirations that ruled on the day. Auckland's perceived potential to connect New Zealand to the world may be overrated given these recently occurring contradictory state-governance developments, which in the same historical moment increased - and reduced - the ability of publicly influencing local-global investment streams.

Another intra-state conflict that emerged recently revolves around differing local rates in-takes and increases by Auckland's councils, and resulting varying levels of commitment to region-wide funding and policy initiatives. This issue caused political tensions between the ARC and ACC; two councils that have recently worked together more closely in regional governance areas. These observations illustrate that Auckland's local state is not a uniform actor, and that at any given time, the world of Auckland's local state encompasses cooperative and antagonistic moments and spaces. More generally, these insights confirms claims in the international literatures that the state as an integral part of capitalist development processes constitutes itself an arena of power struggle and contradiction (Brenner, 1999; MacLeod, 2001; Jessop, 2002a).

Alignment within the state-regulatory apparatus across all scales and different organisations may be seen as a precondition for more effective interventions. In this context, it can be argued that the effects of discursive alignments and re-alignments of governing interests in Auckland's economic governance space increased capacities and capabilities of the state apparatus to intervene in the economy. For example, proliferated network building with other state and non-state actors allows governing resources to be assembled more effectively. These associative patterns also allow the state 'to get to know each other' to create synergies for more targeted interventions in New Zealand's 'after-neoliberal' moment.

Another salient economic management problem for the state-regulatory apparatus is the accessing of private sector governing resources. The state is co-dependent on these resources in its policy processes as is the private sector on state-regulation for the creation and operations of markets. The key resources state actors draw on are private sector knowledges and ideas as well as particular skills, influence and networks of business people. Hence, increasing regulatory capacities calls for a more sustained dialogue with 'public-good' and civic-minded business interests and for more strategic enrolment of the particular governing resources that they can offer.

Conclusions: Accomplishments and Limitations of Discursive Economic Governance Trajectories for influencing Auckland's Economic Transformation in 'After-Neoliberal' Moment

Chapter Six claims that under current political-economic conditions in New Zealand - characterised by a comprehensive re-working of state, economy and society under a neoliberal framework - policies aimed at influencing private investors are getting more complex. An approach that combines outputs with outcome considerations results in institutional and policy experimentation in many sites of the state-regulatory apparatus. Governing in this context is largely about discursive attempts to alter private resource allocation based on practices such as 'story-telling', benchmarking and indicatorisation in order to mobilise, and to constitute 'self-reflexive' and globally focused, actors. The enrolment of particular policy knowledges is thus important. A multiplicity of knowledge production processes have emerged over the post-restructuring period,

incorporating global embodied 'celebrity' knowledges, local expertise as well as individual insights produced in inter-institutional co-learning experiences.

The investigation of recent interventionist projects in Auckland's economic governance space such as RGF, AREDS, 'Competitive Auckland' and the 'Knowledge Wave' initiatives reveals that the understandings of actors about the economy and interventions are diverse and multiply constructed. There are alignments and non-alignment across institutional and geographical spaces. While some governing interests have changed their interpretations, governing intentions and expectations as a result of recent engagement processes, others have been unaffected. Overall, the insights of this research highlight the diversity, multiplicity and distance of the worlds of actors that are involved in the political management of Auckland's economy.

There have been discursive alignments around narratives of Auckland's globally referenced economic development, the importance of urban-sustainable initiatives and the support for knowledge and creativity-rich economic activity. The effects of these alignments in Auckland's economic governance have resulted in changed relationships among some actors and new institutional arrangements in particular sites of the state-regulatory apparatus. The current regulatory moment also offers new possibilities to positively affect public policy coordination in Auckland. In addition, new research and knowledge production processes have emerged that begin to challenge the prevailing 'cut and paste' approaches to policy development. An awareness into what is 'not known' about Auckland's economy: the decision-making criteria of its actors, the degree of integration of activities into the 'global' and the details about firms' incorporation into multiple value chains, may offer opportunities for setting up more effective research trajectories that could inform more targeted and customised economic interventions.

Having traced the discursive effects of alignments between governing interests for the re-working of state institutions, processes, policies and knowledges, their effects on private investor decision-making can be examined. While the constitutive effects of such discursive alignments in Auckland's economic governance space are difficult to explore, the research findings show how conditions for engagement with new investors have improved over the course of the last decade. These new circumstances - in

particular the up-scaling of economic development support to the regional scale and more targeted facilitative intervention in perceived growth industries - allow hope that some private investors' decision-making can be better influenced than previously. However, the combined impact of such changes on the many private investors of the Auckland economy can be expected to be rather low. Generic differences in the way regulators and private actors construct their worlds have not been challenged in any significant way. In addition, remaining inner state contradictions and tensions have led to sub-optimal regulatory outcomes.

In conclusion, 'after-neoliberal' economic governance in the sub-national space of New Zealand's largest economy is characterised by largely discursive attempts to alter private investors' behaviours. These governmental changes result in a re-working of the state-regulatory apparatus, which may precede material expansionary effects on investment processes. These effects, nevertheless, are hard to trace. At best, proliferating discursive practices of governance provide a very modest hope for achieving increasingly ambitious regulatory goals. Given the challenges posed by the global integration of the world economy for the future of a small and geographically isolated country such as New Zealand, the extent and the nature of current interventions may be not sufficient to influence its sustainable economic transformation. A more supportive, targeted and coordinated economic development approach might be a better way of addressing Auckland's and New Zealand's economic challenges. A stronger resourced and increasingly locally present central state may be a key actor in this process, co-opting - but frequently also shutting out - local interests in this process. At the same time, Auckland's local state may continue to underwrite the social reproduction of the local economy, and may further attempt to mobilise central state resources, albeit both increasingly in reference to the 'global'. Finally, while a changing stance to guiding capital accumulation in New Zealand and its largest city-region may produce better conditions for global participation of some local actors, it is important to recognise that this necessarily involves political decisions that will produce new winners *and* new losers in New Zealand's society.

CHAPTER SEVEN

Influencing Global Economic Participation? Conclusions on Managing Sub-National Economies in a Globalising World – Insights from Post- Restructuring Auckland

New Zealand is different; four million people living in a remote location and our firms being distant from the big markets. So New Zealand needs to think more creatively about its economy, we cannot just apply international best practices. We have to think how to apply them in New Zealand. Context is critical. (Independent policy research institute leader, Informant 39, 2004).

Chapter Seven critically reflects on and evaluates the key theoretical and empirical knowledge threads that have been produced in this research. The insights of interrogating contemporary economic governance in Auckland are linked back to the findings of the international literatures, and put in the wider context of Auckland's and New Zealand's political economy trajectories and socio-economic transformations. The final sections delineate the limits and gaps of this research project, and consider research implications, future research options and policy recommendations on the management of economic processes in sub-national spaces in a globalising world.

Materialising Post-Restructuring Discourses and new Governing Initiatives as Institutional Expressions of Political Projects

The apparent hegemonic political-economic project of neoliberal reform in New Zealand consisted of a series of existing and new political projects. Some of these discourses, policies and political programs can be traced back to the early restructuring period, such as the projects of globalisation, the knowledge economy and sustainability. New policy discourses such as the ones on partnership and regional development emerged more recently. In particular moments and in specific sites, these co-constitutive projects found institutional expressions in form of governing arrangements, policy processes and research trajectories. In Auckland's economic governance space, governing initiatives such as the RGF, AREDS and 'Competitive Auckland' can be understood as the political expression of context-specific and contingent alignments of such broader neoliberal, and increasingly, 'after-neoliberal' political projects.

The political and policy discourses circulating in Auckland can be understood as integral parts of broader political projects, as well as central media through which they are constituted. In the current political-economic context, these discourses have been subject to expansion and materialisation. As constructed governmental strategies trying to establish particular truths about economic, wider territorial and intervention processes, they have spread into previously un-colonised discursive terrains. For example, the knowledge economy political project grew bigger to target a knowledge society as the object of governance. At the same time, discourses materialised into policy practices. The knowledge economy project, for instance, led to some material assistance of industry sectors with a high content of knowledge, creativity and technology through GIF, the sustainability project resulted in the invention of and working with sustainable development indicators, and globalisation has expanded into a globalising governmental rationality based on spatial imaginaries and the use of calculative practices.

Over the last decade, discourses on economic and social transformation circulated probably more rapidly than before - aided by advances in ICT's and a more networked and interactive governance environment. As a result, they were picked up at many governing sites. These institutionalised ways of thinking were appropriated, modified and put to work unevenly by local state, business and other non-state interests. For example, some local councils in Auckland placed a higher emphasis on regional collaborative projects than others, some businesses joined sustainability initiatives while others did not, and actors engaged in particular economic sectors benefited from a recent shift to a policy pre-occupation with particular knowledge-rich economic activities, when others were left out.

The broader political projects form contexts for everyday initiatives and interventions; many of which become politicised (Le Heron, 2005b). The knowledge economy political project, as an example, led to the mobilisation of political interests in the 'Knowledge Wave' and GIF projects, while globalisation has been the governing ambition for the 'Competitive Auckland' project. The politicisation of more Auckland-specific post-restructuring economic management problems have recently put issues of urban form, heritage conservation and migrant integration on local and regional governance agendas. Lately, a new set of governance problems arising out of very

recent intervention trajectories have been politicised. These include the increasing demand of development and local state interests for greenfield sites as land-use problems under a slower rising population are perceived as less severe (or simply because of an ongoing property boom), and the conservative approach of the ARC to public spending as a result of the recent ‘rate revolt’ (Rudman, 2006a). These findings highlight the nature of the politicisation of wider governance problems as determined by a range of context-specific factors that can be linked to wider institutional and socio-economic trajectories of Auckland’s post-restructuring development.

Table 7-1 depicts a governmental perspective on recent economic governance arrangements in Auckland. It builds on a conceptualisation of the current political-economic moment as one of a mix of governmental impulses. It demonstrates how in particular governmental moments, each broader political project is expanded by a particular governmental rationality, results in more defined and technical political projects, and surfaces in particular politicised projects that are initiated and constituted by specific governing interests. Explained in more detail, there exists a scale-expanding rationality that searches for new capital accumulation space in a geographical stretching of economic relations, another rationality that seeks new economic activity as spaces for investment, a competitiveness rationality that urges actors such as people, firms, organisations, places, industries and nations to compare themselves with others in order to compete for resource allocations and capital investment, and finally, a collaborative logic that builds on the associative and cooperative dimensions in economic affairs. Each such rationality can be linked with particular political programmes and policies, political interests; and is reproduced by particular policy practices.

Broader political projects are intersecting and cross-fertilising. As a result, the globalisation project for example mutated into more specific concerns about global competitiveness, while the sustainable development project found a practical expression in policy trajectories of regional development, and later of urban development. The broader political projects had effects on each other that led to partial alignments between governing interests in discursive areas. Through strategic institutional alignments, tactical reorientation of existing initiatives, wider discursive alignments and

Table 7-1: Governmental Perspective on Economic Governance Arrangements in Auckland

<i>Governmental Moments</i>	<i>Market Making</i>	<i>Industry Making</i>	<i>Competition</i>	<i>Collaboration</i>
Broader political project/ governmental rationality	Globalisation	Knowledge economy/ society	Competitiveness	Sustainable Development
Political projects	Global connectedness	Export economy, Value-added activities, Creative industries	Urban competitiveness, National competitiveness	Partnership, Regional Development
Politicised projects	NZTE, AREDS, KEA	NZTE, GIF, Knowledge Wave	Competitive Auckland, GIF	AREDS, AREDG
Key constituting practice	Global networking, Global benchmarking	Indicatorisation, Funding, Presentations	Benchmarking	Local co-funding, Networking

Source: Author; adapted from Le Heron (2005b)

through engagements and encounters, these projects have been linked and transformed. New initiatives and institutions emerged such as the ‘Committee for Auckland’ project that combined a governing goal for Auckland’s global competitiveness with an emphasis on a liveable and pedestrian-friendly inner city, and NZTE with its objective of assisting actors in knowledge-rich economic activities by facilitating local-global connections. Discursively, the sustainability political project influenced thinking about economic processes in that it contributed to a discursive shift to the urban scale as an arena for intensified human-environment processes. The latter effect put Auckland as New Zealand’s largest city almost by default in a more central position in national policy considerations.

Relational Governance and the State: Central State’s Re-emergence in Auckland, Co-opting of Local Interests and Re-worked Relationships

Sub-National Economic Intervention and the Expanding Central New Zealand State

The results of Chapter Five highlight the key role of the central state in attempting to influence economic processes. In Auckland’s regional context, it is now by far the most important governing actor as it possesses the majority of resources needed to re-shape the conditions for accumulation processes. In this regard, the central state is the primary agent in constructing Auckland’s economic intervention context. It influences sub-

national governance in a multitude of ways. For example, it further enables local state decision-making through local government legislation that emphasises local consultation, negotiation and networking. Its policy approach of promoting public - private partnerships has further broadened the stimuli for dialogue and collaborative engagement across local state, business and non-state interests. Finally, the central state is a key influencer of discourses that circulate among local governing actors, and thus shape the assumptions and interpretations of interests engaged in Auckland's regional economic governance arena. In the latter context, re-conceptualisations among public and private actors of economic problems in terms of sustainability, and a recent shift in policy attention to questions of firm productivity can both be associated with, and attributed to, discourses that emanated from central government level.

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 an *actor* in New Zealand's economic governance processes. Neoliberal restructuring, however, resulted in a smaller and institutionally fragmented central state that limited capacities for economic intervention. Thus, the current re-connections between state actors under 'joined-up-government', and strategic institutional alignments such as the creation of NZTE, can be seen as signs of a re-worked central state aiming to intervene more directly in economic affairs. This thesis claims that the latter objective has recently involved the re-population of Auckland's regional economic governance space by the New Zealand's central state. This institutional and embodied move back to the state's periphery entails the emergence of central state institutions and bodies in Auckland such as NZTE and GEUDO, re-connections and increasingly frequent interactions between central and local state actors, as well as the activation and co-opting of local multi-actor governing networks as occurred under AREDS. It can be argued that the return of the central state in Auckland's economic management has been another political project.

While the central state expanded into sub-national economic spaces, the objectives of intervention changed. As Table 7-2 illustrates, after the early years of the post-restructuring period saw the local state filling the interventionist gap left by the receding

Table 7-2: Changing Nature of Economic Intervention/Development in New Zealand in Recent Decades

<i>Time Period</i>	<i>Economic Development Focus</i>	<i>Key Spatial/ Analytical Intervention scales</i>	<i>Object of Intervention</i>	<i>State Intervention Mode</i>	<i>Policy Framework</i>	<i>Key Actors</i>
1960's/ 1970's	General demand stimulation	Industry/ national	Industry/ work force	Supportive	Economic protection, production continuity	The Ministry of Works and Development
late 1970's- early 1980's	Priority Regions	Regional/ National	Evening out regional growth; Resource independence	Directive, Supportive	Regional Development Councils; 'Think Big Development Projects'	The Ministry of Works and Development
1984- 1987	Technology Enterprise	National	Innovative firms	Facilitative	Venture Capital Investment	Development Finance Corporation
1987- 1990's	Business, Community	Local	Small business owner, unemployed worker	Facilitative	Competitive Business and Employment Growth, Community/ Employment Development	Ministry of Commerce Department of Labour
1990's	Enterprise	Local	Business growth	Facilitative	Business, Employment and Community Development	Local Economic Development Agencies
1999- 2002	Regions	Regional	Wider actor alliances	Facilitative	Regional Partnership Program	MED, INZ, Local government, Maori/ Pacific, Business
2002- current	Industry	National/ Global	Knowledge sectors, Export firm	Supportive	Growth and Innovation Framework (earlier stage)	DPMC, MED, NZTE, MoRST
2004- current	Firms	National	Productivity Growth (income per hour worked)	Facilitative	Growth and Innovation Framework (latter stage)	DPMC, MED, NZTE, multiple departments and agencies

Source: Author

central state, the return of the latter initially focused on the building of broader actor alliances on a regional scale. The key focus of intervention had been an up-scaling of political economic coordination, and the re-socialisation of economic relations after one and a half decade of neoliberalisation. After a relatively short time, however, the governance focus of the central state changed to a selective engagement with particular sectors of the economy that were considered to be more profitable in the future than

others. A very recent addition to the menu of intervention methods was the policy turn to labour productivity issues as a means to stimulate economic adjustments throughout the whole economy. At this moment, region, industry and firm simultaneously constitute the objects of economic governance from a central state perspective.

In sum, the recent changes in Auckland's economic governance space demonstrate that it is only the central state that possesses the key means to intervene in economic processes. This finding verifies the claims of the third generation regulationists such as MacLeod (2001) and Jessop (2002b) who ascribe a key role to the state in the governance of regional economies. At the same time, it points to a serious shortcoming of the 'New Regionalist' school of thought. The latter has undervalued the role of the central state in sub-national governance contexts at the expense of local institutional arrangements. Moreover, the research results of this thesis show that shifting objects of governance attention, for example the spatial focus on metropolitan or city-regions, or efforts to strengthen public-private collaboration in regional institutional contexts, are - as isolated policy tools - not sufficient to achieve sustained regulatory leverage. Rather, there is intensified regulatory experimentation mixing different governance objects and policy methods in the hope of affecting actor perceptions and decisions.

What has the return of the central state meant? Foremost, the re-emergence of central state interests in Auckland and the increased incorporation of local state actors into strategic policy processes on regional level have empowered Auckland's local state. But while some local council sites such as the ARC's regional development group are now part of planning processes concerning Auckland's economic growth, there also seems to be a serious disconnection between them and the work of NZTE and GEUDO. In addition, engagement in bureaucratic processes aimed at re-organising investment goal-setting processes may in fact have deflected attention away from every day intervention decisions of local councils around the built environment and infrastructure. Newly built large scale local consumption places such as Silvia Park¹³ may pose new problems in regards to the effective use of urban spaces for a transforming Auckland, just as development in places such as Howick and Albany did in the 1990's.

¹³ Rudman (2006b) criticised planning institutions and private developers for the inappropriate transport infrastructure to cope with ten thousands of people on the opening day of the Silvia Park mega mall. In particular, opportunities to incorporate public transport solutions had been missed.

Enrolment of Local Governing Interests, Transformed Institutions and Changing Relationships in Auckland's Economic Management

Changing economic governance in Auckland involves transformed relationships, institutions and processes of the local state. On a regional scale, there has been an increasing understanding of the importance of regional collaboration in some state and quasi-state organisations, and by some people that have been personally involved in recent governing initiatives. At the same time, interpretations on what constitutes the objects and objectives of economic interventions have been challenged and re-formed among a range of actors. These developments have contributed to the re-workings of local state institutional arrangements and governance processes, which can form the basis for subsequently different engagement with private sector investors. However, increasing particularities among local councils as a result of a more consultative legislative framework for engagement with local communities of interest may trigger political interests that are at odds with wider regional governance goals, and in favour of more locally referenced capital facilitation objectives. This governance moment therefore does not do away with struggles over the impacts of local capitalist development, and with the uneven distribution of the “bruises and bonuses of capitalist competition” (Le Heron and Pawson, 1996b, 11).

An important aspect of the current regulatory moment as articulated in Auckland's regional economic governance space is the co-opting of local state, business and other non-state interests by central government actors. Neither the fragments of the state, nor business actors, nor other societal interests have, in isolation, the answers as to how to manage private investment processes under globalising influences. Some of these governing forces have been mobilised autonomously for a variety of economic and wider societal and personal reasons, such as the local state interests assembled under AREDG and the local business interests that formed the ‘Competitive Auckland’ and ‘Knowledge Wave’ initiatives. Other interests had been purposively mobilised by the central state framed engagement process of AREDS, such as Maori interests and the voices of recently arrived migrants in Auckland. The intersection of, and interaction between, these multiple and partly contradictory interests contributed in their combination to the re-working of the regulatory apparatus in Auckland.

Not all local interest could be enrolled to the same degree by the central state however.

For example, there were differences between the bigger local councils of ACC, MCC and the ARC - actors that have been more extensively involved in recent strategic economic intervention initiatives in Auckland - and the smaller councils. In particular the ARC has received a different and more important status in regulating Auckland's economy in recent times. While previously excluded from economic intervention by law, it now functions as a regional circuit for Auckland's many economic development interests, and resembles in many ways an institutional bridge between Auckland's local state and central government. There was also an uneven mobilisation and co-opting of local business interests. While recently assembled local development interests were present in governance negotiations, more embedded institutional business forces such as regional membership and service organisations such as the Chamber of Commerce could not be drawn into a state of activation.

The insights on Auckland's post-restructuring governance experience reveal the key role of the central state in setting conditions for accumulation in New Zealand. While local interests contribute governing resources to economic management processes, it can be argued that they are co-opted by central state interests. This finding confirms Le Heron's (1987) claim that in the New Zealand context it is central government and its implementation agents that are the key political forces in setting and re-setting the conditions for economic growth for local actors and activities. The role of the local state in the main is the organisation of the social reproduction of labour and the management of the social consumption such as infrastructure, local development, environmental concerns and local public services (see Jonas and Gibbs, 2003). Local initiatives such as AREDS or the Metro Project were pulled back to these issues after initially confronting areas of economic transformation and growth. However, if quality of life and safety issues are to become more important in private investment decision-making and labour migration processes, then the role of the local state may be a more important influencer of economic growth patterns than this interpretation suggests¹⁴.

Findings on the fragmentation of governing actors and the particularity of interests - be they local state, business or other interests - show that there are never aggregate forces at work. Rather, governing interests are always situated and embodied. This highlights

¹⁴ The establishment of a Commission of Inquiry into local government rates means the long-term funding base of local authorities is by no means assured. It means that the extent of local state intervention is likely to remain limited.

the role of particular governance contexts, the detailed make-up of institutional arrangements, and personal experiences and embodied knowledges as shapers of governance trajectories. These reflections point to the fact that the state is not a uniform actor. In contrast, and in line with Jones *et al.*'s (2004) conception of a relational state, the state itself can be viewed as an ensemble of fragmented and partly contradictory interests. The role of state personnel is particularly important as they directly influence policy processes. Not dissimilar to McGuirk's (2000) appraisal of the role of networked governing arrangements in Ireland, state interests themselves may enter into coalitions and alignments, or take on an antagonistic stance towards each other. This research finding validates the analyses of regulationist' writers who contend that the state as the key regulator of capitalist development processes is itself caught up in their contradictions, and thus constitutes a terrain of contradictions and struggles.

Economic governance at sub-national scale from an actor perspective can be understood as attempts to co-opt and activate other interests by the central state. In Auckland, mobilised actors and initiatives served as important mediators and co-producers of central government governing processes and ambitions for economic intervention in Auckland. These findings confirm some claims in the literature on urban governance, urban regimes and public-private partnerships that ascribe local business a not insignificant role in politically influencing local and regional fortunes (see Logan and Molotch, 1987). There is little evidence, however, for particular policy networks through which governance is constituted in the Auckland context as it has been described by March and Rhodes (1992) and Bassett (1996). Rather, interventions take effect as the result of contingent enrolments of particular interests from state, business and other institutional spheres - many of them of local origin - that may be autonomously mobilised, or deliberately activated. This analysis validates Larner *et al.*'s (2005) comments on the ad hoc, experimental and contingent nature of interventions in the current political-economic moment in New Zealand.

Auckland's post-restructuring political economy works in, and through, changing institutional settings. These are more networked than before, incorporating multiple interests from public and private sectors. For example, different organisations from Auckland's quango-state, New Zealand's public service and the local commercial world were engaged in network forms of governance in AREDS. However, the relatively large

number of organisations involved in economic development activity and planning in Auckland - as illustrated in Figure 3-1 - has probably not been reduced considerably over recent years. In fact, one could argue that the complexity of the organisational landscape has further increased through the enrolment of new advisory and support layers. What has changed, besides the more networked internal constitution of new institutions, is their often project-based nature. Project-mediated ways of governing often involves informal engagement with other actors. Institutional arrangements change relatively often, as their purpose and function can be linked to particular roles in the constantly changing division of regulatory labour. Thus, there are constant alignments, adjustments and re-configurations of institutional governance structures in Auckland's economic management.

As demonstrated in Chapter Five, an actor-sensitive interpretation of current regulatory arrangements in regards to the Auckland economy must pay attention to changing relational arenas. Put simply, relationships between actors are more varied now, increasingly cross-institutional in nature and less premised on principal - agency principles as they were in the beginning of the post-restructuring period. Proliferating relations within the central state apparatus, between central and local state actors and between state and business as well as other non-state interests are progressively more based on dialogic, negotiative and networked forms of interactions. As a result, new opportunities for economic interventions arise in many sites. These findings illustrate the co-dependencies and interdependencies that exist between actors of the state, business and civil society in governance arenas.

Auckland's Assembled Economic Governance: Interdependencies, Institutional Experimenting, Associative Practices, Contingencies and Contentiousness

Institutional Experimenting, Resource Interdependencies, and multi-scalar Networked Governance Arrangements

As demonstrated in Chapter Five, the regulatory responses to Auckland's and New Zealand's global economic challenges have been of experimental nature. Rather than thoroughly planned interventions according to a coherent logic with predetermined governance outcomes, they are better understood as pragmatic, tentative and trial-and-

error attempts to affect and alter investment streams. Experimental, or ‘hit and miss’ governance, is an expression of thinking among central and local state actors that facilitative forms of interventions are sufficient to influence business processes, and at the same time illustrates the inherent dilemma of influencing private investor behaviours under a neoliberal framework. State politicians and policy makers still believe that desired economic transformations can be achieved without moving into supportive forms of interventions. Nevertheless, this research shows that experimental governance arrangements in search for the highest regulatory returns exhibit a relatively high degree of reflexivity and fast policy learning among its actors.

New actor and institutional alignments must be understood as part of the connections and cross-fertilisations of wider political projects such as globalisation, competitiveness and the knowledge economy, which co-constitute a neoliberalising political-economic order (Larner *et al.*, 2005). Multiplicity and fragmentation of regulatory responses, and the importance of the particular context of intervention for the course of its trajectory, stress the non-uniformity of current political attempts to mediate investment flows. These findings confirm the analysis of Larner *et al.* (2005) that the current political-economic moment “involves a diverse series of political projects which have not yet coalesced into an integrated political settlement comparable to the Keynesian welfarism of the post-war period” (24).

The Auckland example shows that institutional experimenting increasingly involves networked governance arrangements, rather than purely hierarchical or market forms of economic coordination that prevailed in New Zealand’s recent past. In the earlier phase of neoliberal transformation, local state networks had been the emergent, unplanned answer to the gap left by central government and the shortcomings of market arrangements. Since the mid-nineties, more experimental and deliberately networked forms of governance have been developed as tools for governing Auckland’s economy. These processes have been broadened to include both, central state institutions and particular local business and other non-state interests, in regulatory work. The rationale for networked forms of interventions lies in the interdependence of asymmetrically distributed governing resources such as people, funds, mandate, influence, knowledge and skills. It is the individual site and actor-specific resources that are brought together

in governance projects that create in their interaction synergies and interdependencies that increase the likelihood of desired governance effects.

Networked governance arrangements are not confined to actors and processes operating at sub-national and national scales. There exists now a multitude of institutional settings at local, regional, national and global geographical scales that attempt to have regulatory effects on investment processes in New Zealand and Auckland. This observation demonstrates a globalising tendency of contemporary regulatory arrangements, a development which may have material effects - albeit not yet known - on influencing Auckland's economic transformation and global economic participation. As shown in Table 7-3, these multi-scalar networked arrangements involve a diversity of actors, including the global office network of NZTE, local and global business networks such as 'Competitive Auckland' and the New Zealand expatriates association 'KEA', more informal networks such as trans-national migrants, and multi-policy initiatives such as the GIF-framework. Crucially, governance is increasingly about the activation of those multiple and multi-scalar resource networks (Le Heron and Pawson, 1996b).

Table 7- 3: Multiplicity of Networked Governance Arrangements on All Geographical Scales with Effects for Auckland's Economy

<i>Geographical Scale</i>	<i>Central State Actors</i>	<i>Local State Actors</i>	<i>Business and Non-state Actors</i>
Local	Local economic development grants	Economic development agencies; Public-private partnership for new indoor arena	Urban form initiatives (Committee for Auckland; CBD group)
Regional	NZTE Regional partnership programme; Government Economic and Urban Development Office	Auckland Regional Economic Development Forum/ Unit	Regional economic development planning initiative (Competitive Auckland)
National	Growth and Innovation Framework (GIF), Urban Sustainability Program of Action	Imagining Advocacy for Auckland's political representation at central government (co-location); Sustainable City Programme	Knowledge Wave initiatives, Business advisory and consultancy work for central government policy; Sustainable Business network
Global	NZTE-global office network	Sister city network	KEA-Expat-network

Source: Author

Emerging governance arrangements increasingly serve multiple regulatory goals at the same time. While for example local economic development grants usually pursue particular and specified objectives, other arrangements such as the sustainable city

programme, urban form initiatives and sister city links target investment changes with multiple, economic and non-economic, outcomes in mind. This finding highlights a particular characteristic of the current regulatory moment. Not only do governing initiatives resemble networks of multiple and heterogeneous actors, but these governing projects also often pursue multiple regulatory objectives that seek effects in economic, social, environmental and cultural arenas simultaneously.

Assembled Governance, Contingencies and Contentiousness of Auckland's Economic Governance

Auckland's economic governance is assembled; rather than managerial-like executed, or rolled out as a grand intervention scheme (Wetzstein, 2006c). This form of intervention combines managed processes and multiple and ongoing sets of alignments between governing interests to produce governmental effects. Initiatives such as AREDS or GIF can be understood as networked governance arrangements involving central state, local state and business interdependencies that assemble the resources for intervention 'on the go'. Spaces such as actor-networks, subjects such as the seconded local government officer or the project manager, strategies such as 'Competitive Auckland's global competitiveness approach for the region or the Maori-economic development strategy, numbers such as global benchmark figures for Auckland, and ideas such as Richard Florida's 'creative city' concept, were drawn together from a variety of sources to constitute interventions.

This analysis validates Larner's (2001) findings, who interpreted, in the context of the 'New Zealand Call Centre' initiative, new governance configurations as competing discourses and practices that are both temporary and constantly shifting. Building on her perspective, the political management of Auckland's economic actors and activities over the last decade can be interpreted as resembling multiple assemblages of governing resources, as different spaces, subjects, strategies and knowledges have been constantly put together in contingent ways in many governing sites to achieve governance effects on investment processes. These attempts to manage economic processes are co-constituted at multiple geographical scales, in various governing sites and different institutional settings. This type of urban and regional governance does neither exactly resemble previous managerial approaches to influencing sub-national capitalist accumulation processes, nor does it fit Harvey's (1989) ideal-type entrepreneurial

response to inter-urban competition. Rather, in Auckland's particular context, economic governance is constituted as a series of creative intervention efforts in a managerial-type state-regulatory apparatus that is significantly removed from private sector investment processes.

Associated with the mechanics of assembled governance are particular actor and policy capacities. The indeterminacy and uncertainty surrounding the construction of these interventions put a premium on fast policy learning, institutional experimentation and reflective self-evaluation. Policy actors are required to learn through the ongoing review of policy programmes and stock-takes of policy thinking in a rapidly changing policy environment characterised by a shifting emphases in the intervention objectives, new legislation and new institutional structures (Schoellmann and Nischalke, 2005). This is true not only for state actors; business and other non-state actors also have to constantly assess their positioning within broader governance structures and have to be prepared to make adjustments and transformations. 'Competitive Auckland' for example reviewed its role and governing objectives after the end of the AREDS strategy development process. Consequently, it transformed itself into a new organisation with new goals and embarked on new engagement practices.

'Assembled governance' is grounded in, and requires, every-day practices in order to be accomplished. For example, a key role in bringing together governing resources is played by associative practices such as leadership, networking and project management. Their capacities to connect actors, strategies and activities have centrally contributed to the alignments of governing interests with subsequent constitutive regulatory effects. In this regard, these practices can be understood as factors in reducing governance 'noise' and lubricating the coordination of inter-dependent governance activities (Jessop, 1998). Another important material strategy for influencing other actors is the tool of co-funding. This method has been widely used by central government lately, albeit with overall disappointing results in mobilising private sector actors.

Reflections on recent attempts of political intervention in the Auckland economy support the proposition that governing is expressed in a number of contingently formed ways. Rather than pre-determined by an over-arching governing logic, or representing an incremental step in a meta-regulatory project that shapes governance outcomes in

hegemonic ways, current initiatives are more usefully understood as ad-hoc arrangements and regulatory achievements whose constitution and success depend on a multitude of specific factors. Those include path-dependencies, particular alignments of personal and institutional kinds, strategic alignments, encounters between actors, and the particular circumstances of the interventionist project. One example is the KEA-expatriates network that is part of the emergent global networked regulatory architecture that aims to influence local investment processes. This network originated out of a specific governing project, the ‘Knowledge Wave’ initiative, which was shaped by the actions of particular Auckland-based business actors. In another context, regulatory arrangements will probably come into being and take effect in quite different ways. From a theoretical perspective, contingency means that the empirical expression of governance can not be read-off intellectual straitjackets such as neoliberalism, but must be carefully investigated in context-sensitive manner (O’Neill and Argent, 2005). Thus, claims about ‘after-neoliberal’ governance in this thesis refer to single dimensions of contemporary political management of economic processes, rather than the full-scale substitution of a broadly neoliberalised state-regulatory regime in New Zealand.

Auckland’s economic governance is contentious. Instead of representing a harmonious political setting for agreeing on means and ends of intervention between different groups in society as often implied in current policy rhetoric, it is an arena characterised by considerable degree of dispute, disagreement, controversy, contradiction and interest exclusion. These governance problems express themselves in multiple ways. One example is the always selective representation of governing interests in policy discourses and practices. In the AREDS case, engagement with the business community meant the inclusion of particular development interests assembled in ‘Competitive Auckland’ that spoke in behalf of the region of Auckland. Many other business interests, among them small businesses and representatives of the ‘sun-set’ industries - those that are in long-term decline such as low value-added manufacturing - remained unheard and excluded. Besides patterns of in- and exclusion, there are always different rationalities, intervention trajectories, institutional logics and governing objectives and ambitions that intersect, collide and struggle over influencing resource streams.

These antagonistic dimensions of economic management do not bypass the internal relations and processes of the state. Evidence from Auckland’s recent intervention

history shows that the expansion of the central state into the city-region's governance space has been contentious in nature, as has been the institutional re-workings of the local state. Not only have many connections with local interests been missed in these processes, but also assumptions, beliefs and strategies among state actors have themselves been contradictory and a regular cause for conflict. For example, an increasingly 'dictating' central state commanded regional governance processes and relationships under AREDS to be engineered in partly opposition to the interests of local state actors. The MRI-implementation process, too, often collided with the interests of local economic development interests that caused mis-alignments and disconnections in Auckland's economic governance world. These findings highlight the fact that capitalist development - including the state-regulatory apparatus - is contradictory and crisis-prone as long claimed by theorists writing in the Marxist tradition.

Policy Complexity, Discursive Practices of Governance and Multiple Knowledge Production Processes

This thesis argues, and demonstrates in Chapter Six, that under currently prevailing neoliberal conditions where public expenditures can be restrained, attempts to regulate the economy are predominantly of discursive nature. In very simple terms, and as policy frameworks such as GIF, the RPP and AREDS highlight, influence on investment processes is attempted through interventions that can be evaluated as money-short, and word- and ambition-rich. The multiple economic policy discourses aimed at achieving regulatory effects in sub-national territories under these conditions have become more complex in New Zealand. This complexity can be associated with the increasingly discursive nature of attempts to regulate the economy and society under New Zealand's 'after-neoliberal' conditions. This trend involves a general re-orientation of public policy objectives from outputs to outcomes. Policy is becoming more complex with the integration of outcomes in current discourses, a pattern that creates new discursive categories for thinking about the economy, e.g. sustainable development. Importantly, rather than a general outcome, the discursive qualities of contemporary political economic management can be understood as a *distinctive phase* in the ongoing transformation of state-economy relations in the post-restructuring period.

Increasingly outcome-focused policy discourses materialise to differing degrees into new policy practices. The new public policy environment in New Zealand facilitates the constant experimenting with, and the invention of, new tools for policy implementation and resource allocations within the state-regulatory apparatus. In praxis, output and outcome oriented governance strategies are mixed, intertwined and dependent on the particular institutional and policy context. This hybridisation is based on, and gives rise to, actor creativity and the reflexive re-imagining of regulatory strategies in many state-regulatory sites. However, as far as private investment processes are concerned, policy complexity can be understood in terms of increasingly complicated goal-setting activities whose material effects remain largely unknown.

This thesis argues that in a largely discursively mediated governance environment, policy is much about influencing other actors' perceptions and assumptions over investment objectives, and less about direct and material economic management. Key emerging discursive practices of governance encompass a combination of 'story telling' to inspire, motivate and mobilise other actors, the use of benchmarking to create globalising imaginaries for local actors, and the proliferation of indicators to constitute 'self-reflexive' actors that pursue balanced investment goals.

A key discursive practice of governing is the development of strategies to narrate stories on Auckland. These stories construct the city's performance in economic, social, cultural and environmental arenas, and are in turn central ingredients of political strategies to intervene into the economy. As current interventions struggle to have direct influence over private investment behaviours - in contrast to the post-war regulatory environment in which economic actors decisions were more tightly policed - narratives promise to work best to mobilise actors and to induce transformative changes in the current regulatory moment. This technique uses emotive language to inspire and motivate, and conveys a holistic, plausible and appealing narrative other actors can make positive associations with. Increasingly common is the use of staged performances of enrolled experts and professional narrators. Story telling is about mobilising investors and resources through guidance rather than through the directive to comply. It is about the activation of initiatives and networks. This governmental strategy is not limited to state actors; the 'Knowledge Wave' and 'Competitive Auckland' examples show that private actors too see advantages in this form of

intervention. One can argue that policy at this moment is about influencing actors' goal-settings, and thus remarkably resembles the 'indicative planning' moment in New Zealand's regional development history in the 1960's.

Discursive regulatory change is also the underlying logic of the increasing use of calculative practices, in particular benchmarking and indicatorisation, in governing practice. The former technique creates imaginaries that increasingly portray the global as knowable, and therefore facilitate associations between local actors, activities and processes; and global ones. This practice fosters the emergence of a globalising governmentality based on a broad based participation in global flows and networks (Le Heron, 1996b; Larner *et al.*, 2005). Moreover, a wide range of indicators that are invented and circulate in governing arenas are part of a mentality of governing that attempts to shift actors' focus to more innovative and sustainable economic activity. A key aspect of indicatorisation and the use of numbers in governing practice is the development of reflective and strategic self-governance among actors. The rationale is that through the medium of numbers and number-based strategies, governmental ambitions and strategies can be activated 'at a distance'. In sum, calculative practices such as benchmarking and indicatorisation form a new arena for governing investment processes through the activation of desirable spatial imaginaries and economic mentalities.

Central to the workings of discursive governance strategies is the deliberate and strategic mobilisation of knowledge, expertise and ideas. As shown in the example of 'Competitive Auckland's contribution to the AREDS project, these governing resources were assembled from multiple sources across the public - private divide. This finding corresponds with Le Heron's (2005b) claim that knowledge is increasingly co-constructed through relations and networks amongst often competing sites. He uses the example of economy geography knowledges to illustrate the many sites, institutional settings and work projects in which economic geography knowledges are produced in representational forms and in performative ways. In Auckland, knowledges about economic, non-economic and governance processes for policy purposes are constructed in multiple ways. A local governing project enrolled overseas embodied expertise in order to pursue its strategic objective of promoting the knowledge society and leadership in New Zealand, with uneven effects in New Zealand's governing world. An

alternative account on policy knowledge production process was outlined in a University-centred initiative that can be understood as a co-learning experience (Le Heron *et al.*, 2006) that linked students, policy professionals and facilitators in cross-institutional embodied policy production. Overall, knowledge production to inform regional governance processes have shown to be uneven and contested between different institutional sites, and various geographical scales. Importantly, knowledge, ideas - and increasingly numbers - can be understood as key governmental factors that authorise and legitimise narratives told in governance arenas.

Alignments of Governing Interests and Regulatory Effects: Re-working of the State-Apparatus and New Conditions for Influencing Private Investment

Multiple Actor Worlds, Context-dependent Alignments and Transforming State-Regulatory Apparatus on Multiple Geographical Scales

The thesis findings show that the worlds of governing actors are multiple and differing. What assumptions and beliefs are held by individual actors is context-dependent, they are a result for example of their personal or professional pathways, organisational affiliations and their position in regards to capital accumulation processes. Under current political-economic conditions, a key task in governance work is to change these assumptions. This means attempts to influence actors' values, perceptions, attitudes and conventions.

By comparing differing actor worlds, the research illustrates that there is alignment and non-alignment of interests in Auckland. Actors perceived their environment - the social, economic, cultural and environmental conditions facing Auckland and the possibilities for intervention - often in contrasting ways. There is a limited awareness among them of the complex interrelationships between various processes and the interdependencies of actors and their resources in governance arenas. The institutional roots of regional governance problems, the appropriate institutional and policy responses and the role of Auckland for New Zealand's economic development are often differently interpreted, resulting in discursively proximate or distance actors. It has been shown that the institutional context of the actors - whether they are part of Auckland's local councils,

the ARC, the central state or the business elite - partly determines their views and expectations.

Alignment is of predominantly discursive nature, as “what has been achieved over the last five years is not what is under way, but the *realisation* that something has to be done to encourage business to grow in Auckland” (AREDS chair, Informant 21, 2004). Participation in governing initiatives has affected understandings and assumptions among actors. Being part of an intervention project facilitates new discursive actor alignments as assumptions and beliefs in regards to economic, territorial and governance processes are likely to be changed. Lines of alignment cut across institutional and geographical spaces, and as a result create context-dependent effects. Thus, it can be argued that recent interventions into the course of Auckland’s economy are multiple series of ongoing discursive alignments between interests.

As effects of such discursive alignments, state and quasi-state regulatory structures have been reworked in many areas. Alignments in the narratives that are told by governing actors had effects on the relationship between Auckland’s local state and the central state in Wellington. As shown in the case of ATAG, public transport investment streams into New Zealand’s largest city-region have been altered. Among local state actors and quasi-state actors too, new relationships have been formed. For example, and reviewing Figure 3-1, more state and quasi-state relations are likely to exist now. Rather than changes in the number of actors that make up Auckland’s economic development institutions, recent governance transformations suggest that more connections - an additional number of arrows - may be present within the set of existing (but probably renamed) individual actors.

Institutionally, the effects of discursive alignments have created new organisations such as AREDG and NZTE. The latter organisation, for example, can be seen as an institutional effect of aligned interests from central government, the local business sectors and the bigger Auckland councils that understand the importance of contemporary economic intervention as a globally focused endeavour. In fact, the broader expansion of the central state into Auckland’s economic governance space can be understood as a trajectory that was influenced by symmetries in assumptions about institutional forms of interventions in the current moment.

More generally, there has been a new division of regulatory labour in Auckland as an outcome of an up-scaling of governance arrangements and policy objectives. During the last decade, some arrangements have moved up in scale, while others have emerged anew or re-emerged at national scale. For example, firm support has been expanded from a function of the local state in the form of local economic development agencies to include particular export-support arrangements such as the NZTE beach-head initiative. Newly emerging economic governance architectures illustrate the shift from bottom-up regulatory responses, prevalent in the early years of New Zealand's neoliberalisation, to more strategic responses on all geographical scales involving multiple interests and resources at the current moment. From a theoretical viewpoint, this finding shows that the geographical scale of regulatory responses does not have to equate to the scale where the coordination problem occurs (Cox, 1998).

There have been effects of discursive alignment on policy thinking and development. Discursive constitutive effects incorporate changed assumptions about economic processes, and how those can be affected by different actors. In recent years, new assumptions about what constitutes economic development and the most effective scale of intervention have been formed in some sites and amongst some individual actors. There clearly is an acceptance now among many interests that this policy field is defined by reference to the performances of the global. This is a clear change to the past where economic intervention had been seen as a local state response to market imperfections and central state absence. There are now new conceptualisations circulating in governance thought in the Auckland policy community on what constitutes local - global connections, as global imaginaries make the global 'knowable' and 'imaginable'. Auckland for example is now increasingly discursively inserted in city-networks of the Asia-Pacific region. In addition, new understandings about the integration of different policy fields such as economic development, transport and land-use among Auckland's local state actors result in initiatives that attempt to foster interplay between these previously different intervention fields.

The findings of this thesis illustrate that there is a limited understanding on Auckland's economic policy challenges among local and central state actors. However, the understanding of regional and economic processes and the effects of political interventions has increased over the course of the post-restructuring years. Policy

makers are more aware now of the knowledge that is missing in guiding capital accumulation at sub-national scales than before. A largely ‘cut and paste’ policy world is challenged by new knowledge production- and research trajectories that actively seek the insertion of global knowledges on regional and urban development into local state processes, that are - at least partly - contextualised to suit local conditions. This thesis also highlights that there are multiple ways of how policy knowledges are produced, including experimental forms of cross-institutional co-learning arrangements. One promising trend that will help to further address this knowledge gap is an increasing disaggregating of data that might increasingly enable regulators to better understand the multiple contexts local economic actors such as firms find themselves in, and the diverse local and global connections they have or are forging.

New Investment Conditions under Discursive Regulation of Auckland’s Post-Restructuring Economy

This research shows that during the decade between the mid-1990’s and the mid 2000’s, Auckland’s post-restructuring economy has been the focus of a range of region-wide governance initiatives. The combined effects of state institutions re-worked under a competitive, neoliberal framework, and rising pressures in land-use, transport and infrastructure arenas emerging out of rapid population growth and state underinvestment, resulted in a first governing project in the form of the RGS. This collaborative local state project dealt with the direct impacts of New Zealand’s previous restructuring on Auckland’s people, households, firms and organisations. Its regulatory emphasis was on the management of the impacts of a rapidly growing population in the land-use and infrastructure policy areas, while it was not concerned with the sources of economic growth.

Several years later, however, the regional governance focus shifted to the engines of wealth creation. While favourable economic conditions compared to the rest of the country delayed crises conditions in New Zealand’s largest city, accumulation of capital had been increasingly constrained in some sectors of the economy. Impediments to expansionary economic processes were due to multiple reasons, including state underinvestment in Auckland’s infrastructure, the predominantly domestic orientation of the Auckland economy, a policy overemphasis on firm competition that prevented collaborative arrangements to expand into new markets, a proliferation of small

businesses unable to reap the benefits of economies of scale and, not unimportantly, the increasing social polarisation within the region. These severe public externalities of the competitive political-economic model contributed to real, perceived or anticipated decreasing returns of some local firms and business leaders that sparked the 'Competitive Auckland' campaign. At the same time, global investment opportunities were lost in the local economic development arena. Using a regulation-theory informed perspective, it can be said that Auckland at the end of the twentieth century was experiencing a regulatory crises of capital accumulation.

The existing local state arrangements in Auckland were unable to fully address this new governance problem. The governing initiative AREDS and the associated re-organisation of economic intervention in Auckland can be interpreted as institutional responses to this crisis. This regional intervention was broader in the range of contributing actors and regulatory objectives than the RGF. It set out to transform Auckland's economy based on new local - global economic connections and more effective regulatory and public service delivery processes. Set and developed in the context of a new central state approach to economic intervention in New Zealand in the form of the partnership model, this project became an engagement process of particular and partly autonomously mobilised state, business and other non-state interests in the search for more effective economic and social intervention. Around the same time, other initiatives occurred within Auckland's economic governance space. Central was the 'Knowledge Wave' project that saw itself as a public-private intervention model with the aim at stimulating state investment changes in New Zealand's tertiary education, research and development sector; and at raising the awareness of the importance of knowledge and innovation in society.

All these interventions had no immediate material effects on private investment processes. Other than in the case of Auckland's transport arena where public-private collaborative intervention led to sustained central government re-investment, none of these projects appear to have directly changed private investment streams. However, new conditions for subsequently altered investment decisions were being created. As outlined before, this new investment environment came about through the re-workings of the regulatory apparatus on multiple geographical scales, ranging from the local to

the global. In turn, the re-worked state was able to influence the conditions for investment activity in Auckland in particular ways.

On a national scale, one effect has been the more targeted intervention into the economy in the context of GIF. Influenced by the ‘Knowledge Wave’ project, GIF’s focus on growth industries led to more targeted facilitated intervention into a sub-segment of the Auckland economy. Another effect lies in the clearer understandings of the different roles state and business have in the processes of New Zealand’s and Auckland’s efforts to achieve economic transformation. This trend results out of increasing dialogue between regulators and investors and allowed a (re)-familiarisation between both actor spheres after the neoliberal reforms had largely decoupled both actor groups from each other.

On Auckland’s regional scale, the creation of a regional mandate of economic development allows a broader and more integrated view at the economy. Constitutive effects of alignments also concern new institutional capacities of the local state to affect investment flows. In the case of the ARC, new region-wide leadership and delivery structures have emerged recently. In this context, new capacities, resources and skills are currently assembled that may allow regulators to more effectively connect with private investors. And more collaboration in Auckland’s economic development community has enabled the development of a more unified regulatory interface with businesses in Auckland.

There is also growing familiarisation of Auckland’s local state actors with investors. In the present moment, there are new opportunities for dialogue and negotiation, as well as possibilities for encounters and interaction between actors from very different institutional backgrounds that might lead to effects on investment behaviours. As actors are getting to know each other through associative engagement, they become more aware of their specific actor worlds. This in turn may allow state actors to find better ways of influencing investors. There have also been effects of alignments among governing interests in regards to state-investor relationships on a micro level. This concerns personal and institutional learning experiences that will be likely to influence future engagement between different governance actors. Finally, there is now more

consideration for supportive forms of intervention among central government actors than previously.

Alignment Problems in Auckland's Political Economy

Problems in the alignment between interests that are part of Auckland's political economy nevertheless continue. First and foremost, a discursive and material distance is evident between regulators and private investors. The research findings show that both are part of largely unconnected processes, and that their actor worlds differ significantly too. Investors are severely absent in governance arenas, while the largely distant actor worlds between regulators and private economic actors have not, in any significant way, been brought into more proximity. Motives for work, languages and every-day work modes differ vastly and remain a serious challenge for intervention efforts.

Given these alignment problems, mediation and translation between regulator and investor may be seen as a viable road to better cross-sectoral understanding, and therefore potentially to change investment behaviours. Intermediaries such as brokers and facilitators have increasingly provided a link between and within public and private organisations to overcome this problem. But, despite improvements in the way economic processes have been managed in recent years for Auckland's actors and activities, economic governance under increasingly globalising conditions and under a deeply entrenched neoliberal political-economic framework poses considerable challenges.

Some of the remaining problems in the management of economic processes in Auckland can be associated with the 'contradictory state'. Far from being exempt from the capitalist contradictions, a still largely fragmented, and by comparison with the post-World-War II period small state, is in itself contradictory and often non-aligned in shaping the conditions for private capital to accumulate. Organisational logics within the state apparatus may differ, the ideas about economic processes and adequate intervention that circulate may vary, work modes and aspirations of different state actors may collide and the technical mentalities for intervention may be contradictory.

In addition, political struggles within central state organisations, between central and local interests as well as actors within Auckland's local state impede more effective

governance. Problems of democratic representation arise too as economic development organisation is increasingly removed from public oversight. These areas of non-alignment within the state-regulatory apparatus have implications for the degree to which private investor decision-making can be affected. In sum, despite improvements in forming relationships between some particular private sector interests and state actors in Auckland, and regardless of travelling discourses envisaging a transformed local economy, the majority of firms and businesses that produce goods and services within the Auckland region are not in reach of current governance projects.

Towards a Globalising and Sustainable Auckland? Interpretations on Governance Trajectories in the Current Political-Economic Moment

Sub-National Economic Governance in a Globalising World: the Limits of Current Approaches

Thinking about economic governance in a relational world must be premised on a re-conceptualisation of what constitutes economic processes under the current conditions. It can be argued with Amin (2002) that Auckland should be understood relationally; rather than territorially. It can be conceptualised as a node in multiple networks which span across - and are performed - on all geographical scales. New Zealand's largest city-region can be conceptualised as a bundle of constantly redeveloped relationships that reach - to varying degree - across space. Therefore, Auckland can be interpreted as a node in globalising accumulation networks made up of local "activities and actors that are variously positioned in the networks of global value chains" (Le Heron and McDermott, 2006, 2). Simultaneously, the region is now also becoming a node in globalising regulatory structures that likewise constitute a series of often networked governance arrangements on all geographical scales reaching from the local to the global. In line with this argument, the management of economic processes in a sub-national context in New Zealand can be comprehended as a 'stitching together of resource networks' to affect the "organisation of local economic activity that impacts on that positioning for different activities and actors" (ibid). The particular role of public intervention and policy making at the current moment then is one of engendering movement and fluidity within these assembled networks in order to mobilise resources that can change investment behaviours and support adjustments in the economy.

Viewed from this relational perspective, economic governance places a premium on creating conditions for encounters and dialogue between actors. It constitutes a space for facilitating reflexivity and actor associations, which in turn might create more favourable conditions for globalising economic engagement, and for local development that is more reconcilable with non-economic objectives. In the present context, economic management is progressively more about fostering the spatial imaginaries that can help in the constitution of new global economic spaces. But it is also about facilitating the journeys for actors who navigate those.

The thesis findings also reveal the limits of current intervention approaches in Auckland and in New Zealand. Up until now, policy approaches to economic development in the post-restructuring period have been largely guess work and guided by hope. In the current moment, however, there is a clearer picture emerging about what policy is actually doing, and most importantly, what it can't do and is not doing. This new awareness among actors is the basis for more reflective political and policy engagement with the opportunities and limits of current approaches to guiding private investment decisions by actors of the state-regulatory apparatus. It may be the basis for exploring different ways of intervening, including more supportive forms of assisting actors aiming to globally expand.

A strategic question can be posed: How much *local* and *regional* influence is there in the political mobilisation of expansionary economic processes for actors and activities in Auckland? The answer, again, lies in a relational conceptualisation. The regulatory apparatus consists of actors and resources that act on all geographical scales. It is precisely in their *relationships* and *interdependencies* that capacities and potentialities lie for building long-term strategies to re-inform and re-shape thinking in private and public sector organisations (Le Heron and McDermott, 2006). The strong revival of the national state in strategic regional economic governance in Auckland may support a claim for new hegemonies that may undermine local intervention goals and efforts. The central state is increasingly important in fostering local - global connections and in assisting local transformations towards newer economic activities. But actors situated on local, regional, national and global scales are dependent on each other. Their interconnections are the basis for reshaping conditions for wealth creation in Auckland

that allow both, profitability for its businesses and sustainability for its people, communities and the environment.

New Zealand's Ongoing Economic Diversification and Strategic Management of Local – Global Connections at Sub-national Scale

From an economic management perspective, the recent attempts to re-regulate New Zealand's economy can be understood as part of an ongoing governance trajectory. This historical trail of economic coordination targets the diversification of the national economy as a political-economic strategy to overcome New Zealand's reliance on its primary resource base. The 'Knowledge Wave' and GIF-initiatives stand for attempts to transform the country's economic base from a reliance on processing primary resources towards value added and knowledge-intensive activities. This governmental project has entailed the expansion of the discourse of the knowledge economy to a broader and all-encompassing knowledge society project. It also expresses itself in more targeted and supportive economic intervention in the perceived growth sectors of ICT, Biotechnology and the Creative Industries in order to attract private sector investment. These research findings confirm Easton's (1997) view of the history of New Zealand's economy as a sequence of distinct political economies that all contribute to a transformation of the economy away from primary production activities.

Another long-standing management approach to counter the constraints of a small local market with serious limits for its actors to achieve economies of scale has been the support of expansionary economic processes across the country's borders. In the past, local - global economic connections had been largely limited to the globally competitive primary industries. During the neoliberal reforms, governing efforts had focused on removing all barriers to local - global economic connections. Current intervention models, however, deliberately attempt to intensify investment flows between the local and the global. Local and extra-local economic processes are now intentionally and strategically drawn together in policy discourses and emerging policy practices. These now consist of methods such as global benchmarking that make connections between local actors and activities and global investment circuits thinkable. These findings illustrate the importance of expansionary economic processes and geographical scale in the management of the ongoing transformations of New Zealand's economy.

In the New Zealand context, much of the transformations in the search for new sources of profits have been prompted by the central state (Le Heron, 1987). No other actor in the context of a small economy and an individualistic culture has the institutional capacities to manage the conditions for the accumulation process over the longer term. What is new is that the management process can be understood more explicitly as an assemblage of resources from both, public and private actors. In a progressively more interdependent and mediated social world, the means to govern economic processes are held by a multitude of actors. Individual resources such as political mandate, money, knowledge about economic processes and intervention, relationships and skills are distributed unevenly between actors. By co-opting other actors and resources, the state as an institutional arena builds capacities to penetrate into private spheres in new ways.

Finally, regional governing arrangements such as ‘Competitive Auckland’ and AREDS have been important factors in co-constituting economic governance in Auckland under the current political-economic framework. Conceptualising institutional actor spheres such as state and business as fields of political projects, AREDS for example became an expression of the political project of partnership that emanated from central government sites. At the same time, it constituted an arena through which local actors, resources and imaginations were mobilised. As a result, relationships have been (re)created, new institutional capacities have been developed and new research and knowledge production trajectories have been put in motion. These factors, in combination, may allow new forms of engagement to emerge between actors of the state-regulatory apparatus and private investors in Auckland.

‘After-Neoliberalism’? Making Sense of the Current Political-Economic Moment

In the current political-economic moment, both neoliberal and ‘after-neoliberal’ dimensions can be observed. On one hand, there are new outcome-oriented investment goal-setting arrangements experimented with, policy approaches such as regional development tried out and institutional forms such as partnerships tempered with in many governing sites. The findings of this research also support the claim that current governmental ambitions focus on constructing an imagination economy in New Zealand, where the economy is re-imagined in reference to the global, cultural practices and industry (Lewis and Prince, 2004). These features can be evaluated as expressions

of an ‘after-neoliberal’ moment. On the other hand, current governance practices build on, and use, neoliberal techniques. For example, there is an ongoing concern with policy outputs, transparency of decision-making and accountability towards other actors. Thus, the current moment for managing the Auckland economy may be best described as a hybrid one, mixing together neoliberal and ‘after-neoliberal’ dimensions.

There is considerable institutional experimentation, policy invention and actor networking in Auckland’s current regional economic governance. Interpreted in political economy terms, these governing trajectories can be understood as expressions of efforts to find better regulation for the benefits of political projects related to particular interests. The latter comprise, for example, of elite capital interests such as Auckland-based educationalists and local commercial real estate developers, but also local state interests such as infrastructure providers and non-state interests such as Maori. It highlights the fact that governance always comprises power relationships, that it is an arena to which particular actors have access to and others not, in which particular views about the world are legitimated while others are silenced, and in which influences are exerted that favour particular interests and shut out others.

Auckland’s particular form of neoliberalism created a vast distance between both spheres of the political economy - the state and business. During the reforms, the state was seen to be most efficient in the role of creating markets, address its imperfections through information supply and networking assistance, and governing social costs of large-scale market regulation. It is said that as a result the economy has been de-politicised, its rule-sets increasingly governed by the world of metrology such as standards, benchmarks and indicators. However, this rise of the un-political economy (Barry, 2002) masks the fact that all resource allocation processes in society are deeply political. They always involve actors groups - people, organisations, networks and places - that are favoured by certain political conditions and decisions, and those who will miss out. The findings of this thesis provide ample of evidence for this claim.

It can be argued, that ‘after-neoliberalism’ in the context of Auckland’s regional and economic development is “taking shape through endeavours to stimulate, encourage and align multiple and co-constituted political projects” (Lewis and Prince, 2004, 2). The political projects of globalisation, knowledge economy and society, competitiveness and

sustainable development are drawn together through institutional and policy engagement that co-constitute ‘after-neoliberalism’ in Auckland’s political-economic trajectory. AREDS, for example, constitutes different relational constructs in different points in time. In the early project phase, it expressed the alignment of different local and national interests that themselves were expressions of particular political projects such as regional development, partnership and global competitiveness. In the interim phase it represented a central state framed process for legitimising engagement with particular economic actors considered potentially profitable in economic activity, while at the same time the strategic regional development planning trajectory was furthered at the ARC. In the current stage, AREDS is transformed into a conduit for multiple regional and local policy development projects and a reference point for wider discourse development, while it is also a point of mobilisation for regional economic development delivery efforts and regional strategic planning and research endeavours. Thus, AREDS as well as other governing initiatives can be understood as an expression of multiple, co-constitutive political projects, while it is simultaneously a point of multiple forms of actor and resource mobilisation that determine how these political projects materialise in specific policy practices in particular institutional and relational contexts.

These points raise the issue of the reconciliation between economic and non-economic investment goals under current intervention conditions. Based on the findings of this thesis, the current governance moment offers modest hope for a better alignment between economic and social, environmental and cultural objectives in regional and local development because current goal settings in governance arenas are guided by searches for reconcilable strategies. As a local state manager points out, there are attempts for the “[i]ntegration between economic and community development, rather than the trickle down effect” (Informant 6, 2004). Through political projects such as sustainability or partnership, there seem to be constant imperatives at work that bring societal interests together, and keep them - at least temporarily - engaged. The resulting encounters and interactions between actors, tactics and strategies may materialise into changing practices that allow desirable outcomes to be achieved. However, Le Heron (2006, 443) in his recent comment on the state of sustainable governance practices in Auckland identified “pending tension between the Labour government’s GIF [-

framework] and its sustainable cities inflected Sustainability Action Plan (SAP), and the nature of government presence to support these two overtly political projects”.

But as this research shows, assumptions about what integrated goals mean in particular contexts are hard to align, and often differ widely. Furthermore, and as demonstrated in Chapter Six, in a governing environment where government interests can tell actors what not to do by means of business regulation, but cannot order them what to do, the translation of policy goal alignments into material alignments are made the more difficult by the serious economic coordination problems of differing actor assumptions, languages, planning horizons and work modes between regulators and private investors. The promise of more balanced private sector investment decisions may be a rather ambitious regional and urban governance goal, and claims about improvements in this area unattainable.

This thesis demonstrates that economic governance in Auckland has had largely discursive regulatory effects. These may precede material effects as private investors’ resource allocation decision-making may be affected in particular contexts. For example, the sustainability political project has mobilised business interests in the New Zealand Business Sustainability Network (Sustainable Business Network, 2006), an initiative that may have altered day-to-day decisions of participating business people towards more sustainable outcomes. But under the competitive pressures of globalising capitalism, and given New Zealand’s and Auckland’s particular economic and geographical context, this mode of governance is not sufficient to assist economic actors in their decisions to expand production into more profitable activities and link their businesses into global value chains. The current regulatory moment calls for multiple and context-specific interventions that include material incentives for particular actors such as industry leaders, SOE’s or SME-networks to engage in activities that promise future profitability. Thus, it is a moment where potentially contentious political choice will have to be made, priorities re-set and contested policy approaches to be embarked on.

Auckland’s ‘after-neoliberal’ economic governance experience can be compared with McGuirk’s (2004) study on Sydney. She argues that the state is increasing its influence in the economic governance of Australia’s largest city based on the hegemony of a

‘global city’ discourse. This study on Auckland suggests that under conditions of globalisation, the state, in particular the central state, also plays a more important role in re-shaping conditions for economic transformation. However, Auckland’s specific ‘global city’ discourse is largely rhetorical in nature as it is not backed up as yet by significantly altered investments in private and public sectors. The integration of New Zealand’s largest city-region into the global economy, while evident in some sectors such as financial services (Fairgray, 2006), can be expected to be comparably low overall. What is different now is that much of the same planning and service delivery activities of the local state are ‘re-branded’ by reference to ‘global’ aspirations and practices.

Table 7-4 illustrates how the current political-economic moment in New Zealand can be analytically embedded in the changing governmental mentalities in New Zealand’s capitalist development after World War II. It shows that at any given time in New Zealand’s development, there existed different assumptions about the relationship between the economic and the social, the roles of state and business as well as the mix of and the connections between local and global activities in governance arenas. These differing assumptions and conceptualisations about what constitutes development in the New Zealand context has informed how particular actors have embraced particular policy approaches that each involved specific technical practices and associated spatial economic frameworks. The overall role of the central state stands out as a key shaper of the conditions for development under capitalist conditions in New Zealand, until the neoliberal reforms of the 1980’s and 1990’s privileged market-governance arrangements.

The always shifting governmental concern regarding the influence of economic and social relations under a particular mentality as well as the existence of ‘taken-for-granted’ assumptions that often mask difficult adjustment processes of actors in society and economy highlight the contested and problematic nature of attempts to politically govern capitalist development. It becomes obvious that economic relations are always to some degree socialised and de-socialised, as well as territorialised and de-territorialised, causing social ruptures and contradictions at the same time as opportunities for more profitable accumulation in particular sites. The current economic governance moment is no exception as has been shown in the contentious aspects of

recent economic management arrangements in Auckland. The political management of the economy under capitalist conditions remains an always problematic and challenging task.

Table 7-4: Changing Governmental Mentalities in New Zealand’s Capitalist Development after World War II

<i>Time period</i>	<i>1945-1984</i>	<i>Mid and Late 1980’s</i>	<i>1990’s</i>	<i>2000’s</i>
Key Object of governance	Economic and social relations Local-global relations (in particular UK)	Economic relations	Economic relations, society-environment relations	Economic, social, environmental, cultural relations; Local-global relations
Political projects	Full employment, Universal welfare, Income substitution	Economic reforms and restructuring (corporatisation, marketisation; de-regulation)	User Pay, Employment contracts; Sustainable resource management	Nation-building project, Sustainable development, GIF, Creativity, Global connectedness, Productivity
Key spatial/ analytical scales	National, industries	Local, small business	Local, regional (RMA)	Regions, cities, industries, nation
Key economic policy domain	Import substitution; Agricultural innovation system; Regional development	Macro-economic policy	Micro-economic policy (in particular after first Porter visit)	Micro-economic policy, Regional development; GIF-industry assistance
Key actors	State, Business	Markets	Markets, Enterprises	Markets, Regions, Growth Industries
Key role of state	Director, Facilitator	Facilitator	Facilitator	Facilitator/ emerging supporter
Key legislation	Town Planning Act 1953	SOE-Act 1986	LGA 1989, RMA 1991	LGA 2002
Key technical practices	Economic Multiplier Effects	Cost-benefit analysis	Environmental impact assessment, Audit	Global benchmarking, Indicatorisation
Key spatial economic concepts	Agglomeration	None (a-spatial policies)	Cluster	Supply chain, Value chain
‘Taken-for-granted’ assumptions	State has development monopoly	Social adaptation to economic reforms	Economy will grow with minimal state intervention, reconciliation of development and conservation possible	Adaptation of domestically focused economic actors towards exporting and value-adding activity

Source: Author

Auckland's Changing Position in New Zealand's Globalising Economic Management

The ongoing diversification of economic activity in New Zealand as well as the emerging strategic management of local - global connections with effects for local economic processes has increasingly shifted national policy attention and governance emphasis to Auckland. Hence, Auckland is being considered a crucial space for economic governance in the New Zealand context. In national policy discourse, Auckland features more prominently at this governance moment because it is seen as exhibiting critical mass in terms of size, capital, knowledge, technology and labour. But it also offers place-bound economic resources such as amenities, lifestyle and cultural 'tolerance' in comparison with the rest of the country. Its significance to governance processes also arises out of being perceived as a node in the global network of cities through which flows of economic resources are said to be channelled into national economies. Its numerous examples of local - global connections, including airport and seaport links, trans-national migrant networks, high-technology export firms, and global knowledge and entertainment circuits, are seen now as enhancing opportunities for wealth creation in New Zealand.

While such an argument can be made, Auckland's city size, local - global connections and broad economic diversification may not be all good for capital accumulation and regulation processes. In terms of population size a position in the 'middle' - basically being too large for New Zealand and too small for the world - has severe governance implications. The same can be said for the lack of a sophisticated labour market and economic specialisation in comparison to cities such as Sydney. These attributes may impact negatively on the capacity to redirect mobile capital streams into Auckland, as well as on the efficiency and applicability of national economic development mechanisms. On one hand, global capital may bypass Auckland and flow to competing urban locations in the Asia-Pacific-Region which exhibit higher degrees of economic specialisation. On the other hand, regional economic development efforts based on prioritised intervention in certain key industries or grounded in multi-stakeholder partnerships may fail because the economic base is too diverse, and stakeholders are too many. In addition, global connections may enhance opportunities for global investors to exploit local productive assets and extract profits without creating longer term benefits

to the local people. Caught in this trap, a solution may be that economic development initiatives in Auckland should continuously be focused on wider economic factors such as infrastructure investment, lifestyle factors and fostering a more collaborative culture which will help all local economic actors.

Central government's attitude towards Auckland has changed over recent years. Ministers and senior officers increasingly engage with local state actors. In contrast, "Wellington City has been largely neglected by central government over last two years, its all about Auckland now" (Informant 30a, 2006). But the forms of engagement are viewed as sub-optimal. Recently, Deputy Prime Minister Dr Michael Cullen said he would like to see a mechanism under which Auckland could evolve towards a single vision and a single city approach, because it did not make sense from a Government perspective to be dealing with five or six local authorities. He explained his call for major governance reform in Auckland with the argument that

...there is always the risk they [the local councils] may veer off in different directions when you just come to the crunch on key issues. It is hard to see how we can create a vision for a world-class city, because what we have got is five non-world-class cities. (Michael Cullen, Deputy Prime Minister, 2006, August 9, 2006, in Orsman, 2006)

His suggestion to create a single 'vision' for the city-region highlights the importance of discursive governance practices such as story-telling in contemporary governmental thought. His proposition on institutional changes of Auckland's state illustrates the preoccupation with the re-working of the state-regulatory apparatus which are situated in, and legitimated by, globalisation and urban competitiveness discourses in the current regulatory moment. The policy-relevant issue is whether a 'single city' model would help the Auckland's economy as the 'transmission and drive shaft' of the New Zealand export economy to move into higher gear, as Dr Cullen demanded in 2004? The answer is probably no. This approach is a lot about (re)building state actor relationships between Wellington and Auckland for channelling public investments into the region. These may be the basis for subsequently altered private sector investment decisions, as locally upgraded public infrastructure or a perceived better quality of life may signal a value to local and international capital that would trigger private investments. Current thinking is largely not about how to incentivise globalising strategies for local private

investors. Therefore, current governance arrangements constitute an *indirect* state-institutional response to dealing with questions of mobilising economic growth in New Zealand and its largest city-region.

Auckland's current repositioning in national policy discourse and practice has limits however. In New Zealand, central government will always tend to pursue policies aimed at some resemblance of spatial equality, making it highly unlikely that one region will receive favourable treatment for long, at least openly. For example, this tension has become visible in the (mis)application of the policy tool of MRI's in economic development policy in Auckland. While this mechanism succeeded in the smaller populated regions across the country, it failed in the big population centres, in particular in Auckland (see also Dalziel and Saunders, 2005). In fact, Auckland has often been misunderstood, for example in relation to its population dynamics (Poot, 2005), or its capacities to connect a small and peripheral economy to the world based on its ICT infrastructure (Poot, 2004).

The balance of political power distribution in a country without federal structure can be seen as a key factor for not allowing Auckland too much political influence. Furthermore, the 'Bombay Hills' syndrome as a marker of deep-seated mistrust between Auckland and the rest of the country (and vice versa) makes it hard for central government politicians to openly acknowledge Auckland's particularity in New Zealand's development. Many connections between the country and its largest city therefore happen in less visible ways such as co-location strategies by government departments. This 'connect with Auckland, but don't tell' strategy is likely to generate political contestation and resistance. Thus, Auckland will, for political reasons, probably always fall short in attracting adequate central state support, even under globalising conditions.

Moreover, the distinct nature of Auckland as a place of economic activity may also hinder a more central position in New Zealand's globalising economic management. Le Heron (2006, 444) calls for more realism about the structural character of its economy because:

...[m]ost thinking about Auckland ...fails to grasp the dominant and dominating role of the nexus of land development, construction and

infrastructure in the region's economic base. This nexus (estimated to be at least 30 percent of Auckland's Regional Domestic Product) constrains Auckland's role; in New Zealand, as an export platform and as a competitive city. In particular, resources flow into discrete and uncoordinated urban growth projects arising from land conversion on the metropolitan periphery, speculative property developments, in filling and large scale shopping centre construction.

In sum, Auckland's perceived potential to connect New Zealand to the world may be overrated, its increasing policy attention contested, and its favourable governance status probably short-lived.

It is useful to embed the recent spatial economic and policy trajectories involving actors and activities in Auckland in the wider context of New Zealand's post-war development. To this end, Table 7-5 demonstrates how Auckland has been perceived and approached by New Zealand's national state policy frameworks, in combination with an outline of the region's positioning in public and private investment circuits. It shows that under post-war conditions of income substitution and primary industry exports, Auckland became the key magnet for national capital investments in productive assets in both, public and private sectors. The resulting externalities of rapid economic growth triggered a negative central government policy stance towards Auckland. With the removal of political barriers to the especially international circulation of capital under neoliberal restructuring, private capital was increasingly attracted to the local consumption sphere while a tightened state spending regime neglected investments in Auckland's public infrastructure.

What has visibly changed over the past decade in Auckland's economic governance arena is an emerging regional capacity for policy intervention. This new setting for economic policy processes offers a new chance for transformative, and hence developmental, intervention, where the actors, the people and organisations engaged in economic activities are considered differently (Le Heron and McDermott, 2006). This regionally anchored framework may pose more relevant questions about how economic actors might be supported effectively. This vision would entail that policies, strategies and plans - developed with a scale-sensitive actor perspective in mind - move beyond the issues of how Auckland might sustain its role as a driver of the New Zealand economy, to how it might build its role in the international arena. But New Zealand's emerging sub-national policy capacities and governance arrangements are politically

fragile, and always contested between multiple political forces and strategies. For example, the question arises what will happen when a different central government is elected, or the fifth Labour government starts to adopt different economic management principles and strategies? While there are grounds for modest optimism, as this thesis shows however, the increasing marginalisation of the majority of Auckland’s actors and activities in globalising investment circuits will - in general - be difficult to reverse through political and public policy efforts.

Table 7-5: Auckland’s Post-War Spatial Economic Characteristics and National Policies

<i>Time Period</i>	<i>Key Development</i>	<i>Spatial Economic</i>	<i>National Policy Attitude</i>	<i>National Policy Approach</i>	<i>Public</i>	<i>Private</i>
	<i>Characteristics</i>		<i>towards Auckland’s Economy</i>		<i>Investment Patterns</i>	
Post World War II – 1980’s	Import substitution economy and consumption centre	National business service centre	Increasingly negative	Increasingly Auckland’s prime position in New Zealand economy and agglomeration outcomes seen as national problem	Large public regional infrastructure investments in 1960’s	Conditions for private investment favours production in Auckland
1980’s - 1990’s	Immigration-fuelled consumption-led development	Recipient of global immigrants; New Zealand’s import centre	Indifferent	Auckland actors and activities ignored by a-spatial economic restructuring policies	Under-investment in public infrastructure	Conditions for private investment favour land-based consumption and business/personal services growth
2000’s	Immigration-fuelled and household spending based consumption-led development	Reduced national business service centre Increasing marginalisation in globalising investment circuits	Slightly positive	Particular attention as value-added centre and global gateway Discursive attempts to re-position Auckland as urban node in local-global processes	Re-investment in regional transport infrastructure	Conditions for private investment are largely unchanged from previous period

Source: Author

Limits and Gaps of Exploring Auckland's contemporary Political Economy

This research project advances theoretical and empirical knowledges on interventions in economic processes involving Auckland's actors and activities that were expressed on a regional geographical level over the post-restructuring period of the 1990's and 2000's. The particular contribution that is made lies in the demonstration of how different neoliberal and 'after-neoliberal' political projects were expressed in particular institutional governing arrangements around which different actors and resources were mobilised, stories were told and policy knowledges produced - with discursive alignment effects for the state-regulatory apparatus that allow different conditions for influencing private investment in Auckland to emerge. The particular questions asked, the methodologies developed, and the specific perspectives deployed in this thesis, are transferable to other places and contexts. However, the investigation was set in a particular socio-economic, cultural and institutional context, it engaged with particular actors - and left out others - and faced many contingencies in the research process. Thus, a range of research limitations and gaps must be stated at this stage to allow better judgement on the applicability of these findings to other contexts and for other research projects.

This thesis has not been written to provide immediate answers to policy problems faced by practitioners, or to provide an analysis based on traditional and well-used disciplinary methods. This dissertation is about the institutional, relational, discursive and material expressions of economic governance processes in an urban-regional space. The analysis is based on diagnosing changing actor relationships, institutional transformations, circulating policy discourses and knowledge production trajectories and their assumed, professed and possible effects on investment processes. This is a research approach that is unusual in regional and economic analysis. This conceptual and methodological framework has the promise to help practitioners to understand their context better, and to ask new and more relevant questions. In this sense, it can facilitate the conception of better and more effective policy processes. At the same time, it attempts to engage in and contribute to academic debates in the social sciences, political economy and urban-regional development.

The role of context as a factor limiting the research transferability, but enhancing explanatory value, must be emphasised. Auckland as the object of this study features particular, and thus context-dependent, characteristics. It is a relatively small city by global comparison, but large in the New Zealand context, it is both remote geographically but well-connected to the global through technology, and it has a strong Anglo-Saxon and Maori/Pacific cultural heritage but is also host to a significant number of migrants from all around the world. This city-region faces particular economic management challenges under neoliberalising and globalising conditions. It is a site of unique processes. Correspondingly, the researcher himself and his investigative project are situated in a particular context. The background of the researcher, the relationships with supervisors and informants, funding arrangements, access to data and technology for data analysis - all play a role in making this research project unique. These contextual factors must be taken into account for the evaluation of the findings, as well as their comparability across spatial and research spaces.

There are research gaps associated with the type of actors studied and the type of policy arenas explored. As outlined in Chapter Four, many actors and institutional sites are not covered in this research. These include, for example, small and medium sized enterprises, labour representatives and people from Maori and migrant backgrounds. Also, policy arenas with more indirect linkages to economic processes are not covered in depth. The transport sector, for example, experienced considerable public re-investments lately, yet, as it is not central to the argument and is thus peripheral to the research domain of this dissertation, it only remained on the margin of this investigation. In addition, data of regulatory impacts of changing economic governance arrangements on private investors others than infrastructure providers are missing, although one cannot expect considerably differing results than those arrived at in this thesis.

Given the general shortcomings of a written academic text to do useful work in policy arenas, and considering the thesis' emphasis on critically reflecting on discourses, practices, relationships and knowledges in Auckland's policy world, there needs to be some sort of thesis translation in order to mobilise actor re-conceptualisations. This mediation of the dissertation findings could take on the form of changing words, different ways of framing explanations, the use of practice-relevant examples, recallable

metaphors and colourful illustrations. It should take place in the context of performances, for examples as targeted and customised presentations, interactive workshops and multi-actor dialogue. The point here is to think about the apparent constraints of an academic inquiry in mobilising the objects of its study in new and innovate ways in order to affect different change in the ‘real’ world.

Final Remarks: Research Implications, Policy Recommendations and Future Research Suggestions on Managing Economic Transformations in Sub-National Spaces in a Globalising World

There are a range of implications of the research findings for policy makers, policy informing actors and policy audiences. The key claim is that under current conditions in New Zealand, regulation and governance of actors and activities in Auckland is largely discursive and thus with little immediate material effects on private investment processes (Wetzstein, 2006b). The research findings suggest that the reach of political and policy processes into private sector investment decision-making is very limited. In this context, more supportive forms of economic development that would allow actor-specific interventions, or actor group-specific assistance such as for exporters, may be a viable policy approach to affect economic transformation trajectories more directly.

However, the suggested conceptualisation of governance processes as actor and resource mobilisations and the activation and enrolment of networks, as well as the importance attributed to narrating stories and developing indicators, carry with it a wider field of opportunities to find new ways of altering investment streams. It is likely that policy understood in this way will make use of many discursive mediums such as people, presentations, stories, text, media and multi-media technology. It is likely that policy will be performed in more effective settings such as third party arrangements where actors are ‘locked-into’ negotiations (Informant 34, 2004), and engage in face-to-face negotiations (Informant 43, 2004). In this context, policy makers may use a large variety of skills, capacities and capabilities that are distributed among many actors and sides. But it is important to keep in mind that enrolments and network building will always face resistance and contradictions at some point, making policy and governance processes inherently problematic and contentious.

Another implication concerns the research finding that there is limited influence of local and regional policy interventions on Auckland's globalising economic processes. While the central state intervenes in economic processes indirectly through the effects of non-regional policy such as fiscal and taxation policy and compliance cost related legislation, sub-national strategic interventions are nevertheless an important field of political economic governance. In this regard, multiple networked governance arrangements attempting to influence economic conditions for local actors increasingly emerge from the local to the global geographical scales. This situation may call for increased reflexivity and regulatory flexibility in sub-national governance settings to constantly assess and adjust the place of local and regional economic governance in the emerging division of regulatory labour. This research also highlights the importance of strategic relationship-building between multiple and disparate actors involved in shaping conditions for investment decisions, and their co-ordination across geographical and institutional boundaries. Another possible local policy response would be the development of policy capacity to deal with issues of uncertainty and unpredictability, an approach that has already informed thinking in some quarters of Auckland's policy community (Informant 10, 2004). On the latter point, 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.

There may be other policy responses to the realisation that economic governing influence within Auckland policy communities is rather limited. One such approach would involve an 'up-scaling' of conceptualisations of economic and governance spaces. This would mean an understanding and promoting of institutional relationships and interventions on a larger scale in New Zealand than before in order to create increased opportunities to exploit economies of scale among economic actors. Such thinking is already prevalent in some sites. Auckland's regional manager for Transit New Zealand for example declares that the organisation "puts its energy into one big conurbation north of Lake Taupo" (Informant 3, 2004). Phil McDermott Consultants (2006) highlight the many interconnections and interdependencies between the urban and semi-rural places of the northern North Island and outline possible positive effects for more competitive economic positioning of this enlarged Auckland region within the

globalising economy. Envisaging and performing a ‘regulatory space’ stretched over half of New Zealand’s North Island may be a viable strategy to lay out better conditions for sustainable competitive economic activity in a globalising world.

Another timely approach would be a more fully recognition that a well functioning Auckland is based on the economic participation of all actors that are part of the region. These include not just diverse business interests, but also newly arrived migrants, aging baby boomers, school leavers, women, male workers previously engaged in industrial labour, Maori and Pacific Islanders. The latter groups are of particular interest to regional policy makers as Auckland will face a considerable ‘browning’ of its work force over the coming decades. A crucial leap in policy thinking would be the posing of questions such as how to support global connections and economic exchange for the members of these significant regional sub-populations.

A further policy recommendation pays closer attention to the hypothetical question of what the development of a more networked matrix of regulatory arrangements might mean for global economic participation of New Zealand’s largest city. Auckland is part of the New Zealand economy that is increasingly connected to the global through the incorporation of local actors and activities into multiple and constantly shifting value-chains. Given the increasing complexity of such relationships, facilitation of an improved positioning of those actors within these arrangements 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 and organisations are most important in spending development dollars on. An immediate answer could be a targeting of large infrastructure organisations. But then the issue arises over the degree, and under which conditions, investments into a ‘globally connecting’ regional infrastructure such as the privately owned and operated airport in Auckland can be politically influenced. This research’s answer is rather pessimistic. The challenges to governing capitalist development processes under globalising conditions are enormous. Thus, “the nature and extent of Auckland’s incorporation in the Asia-Pacific region and the wider global economy is by no means obvious” (Wetzstein, 2006a, 23).

A research implication of a different kind relates to the production of knowledges about economic, territorial and intervention processes that inform policy making in various

governing sites. Based on the research findings and personal experiences, the author argues for more interactive knowledge production on sub-national and cross-institutional levels. The guiding principle, and the mutually benefiting objective, for collaborative endeavours such as the engagement of policy makers in academic arenas could be the opportunity to create a better understanding of context among policy practitioners, and to improve the understandings of policy problems by intellectuals and students. As the analysis of the teaching/learning experience reveals, spaces for cross-institutional policy-relevant knowledge production at regional scales are largely unexplored to date. Partnership arrangements between public policy, business and academic sides with a general emphasis on interaction, experimentation and presentation could be a way forward to produce - in contrast as well as complementary to the enrolment of global experts - valuable local embodied and reflexive policy expertise.

An increased focus on local and regional knowledge production for decision-making in policy arenas would also mean to further break down the monopoly of the national scale in producing data on economic processes on sector basis. The role of disaggregated data down to firm level, including those best generated on regional level, cannot be overemphasised in the context of forging local-global firm connections (Le Heron and McDermott, 2006). Furthermore, in contrast to current trends in policy thinking that favour quantitative over qualitative approaches in generating and analysing policy-relevant data, the thesis' argument of the demonstrable role of discursive practices of governance calls for a mix of quantitative and qualitative methodologies in policy-relevant research. While the former is well-suited to provide useful contextual information for policy interventions and to measure policy effectiveness through numbers and calculative practices, discursive governance practices with an emphasis on changed actor assumptions and understandings ask for innovative qualitative methods to track and assess regulatory impacts.

Overwhelmingly, in the New Zealand context, policy actors tend to know their world through policy documents. This reflective observation means that new policies are most likely produced in 'cut and paste' fashion rather than through more critical engagement with the issue at hand. Given resource and time constraints, this behaviour is understandable. What is surely needed are more spaces for reflection, critical thinking

and ‘stand-back’ inquiry in day-to-day policy practices. In this context, there are grounds for the promotion of an emerging role of a ‘challenger’ in urban and regional policy-making processes. The fast-paced and highly mediated policy world needs intrusion and destabilisation through external 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 governance conditions than under those prevalent a decade ago, as the neoliberal imperatives of financial and accountability criteria in policy informing contexts have been slowly broadened to allow more space for experimentation, collaboration and learning. This opportunity to widen the intellectual reference for policy making may however be vulnerable to political processes such as new policy-making approaches under a different central government.

Several recommendations can be made regarding future research. New research projects could ask more specifically whether current institutional changes in Auckland’s economic governance allow for a better reconciliation between economic and social-environmental objectives as stressed by current policy discourses. More investigations are needed in contemporary political economy and policy-directed research that put the actors - firms, organisations and people, their practices, their relationships, and how they are involved and positioned in various processes - in the centre of their analyses. Work on economic governance must also look more critically at the ways investment conditions are actually reshaped by political and policy interventions. This means tracing regulatory effects in multi-method case studies, and importantly, feeding the results back into policy learning processes. In addition, it would be highly beneficial to undertake comparative research with other comparable places to better understand the particular local context that Auckland’s actors are situated in, and to learn from overseas policy experiences. The analytical work on Sydney’s repositioning in ‘global city’ discourses and the emergent practices of associated state-restructuring in this city (see McGuirk, 2004, and McNeill, 2005) make Australia’s largest city a candidate for inclusion in such research.

Finally, the results of this research enable the answering of the thesis title question, whether there is now a suitable economic governance framework for a globalising Auckland. Or put in more conventional terms, what has political economic management

in Auckland achieved over the last decade? The results of this research show that there is no overall managed and coordinated process for interventions in the Auckland economy aimed at facilitating local-global connections for its actors and activities. Rather, a multitude of regulatory experiments at different scales and in different sites, with the ambition to affect investment behaviours, can be discerned. New institutional arrangements in and across public and private sectors have been developed in the hope of ensuring appropriate mediation for globalising conditions. More knowledge now exists about the economy and about governance, there is much discursive alignment between actors as narratives increasingly converge around the issues of ‘global’, knowledge/creativity and sustainability, and there are many reworked relationships across institutional borders and geographical scales. An emergent shift in thinking from a facilitative mode towards a supportive intervention model (Jessop, 1990) in particular economic areas may link some local actors into the globalising economy. It goes without saying that this policy direction will generate new struggles among actors over access to resources and will thus create new winners and losers. All of these changes (to call them transformations is to suggest they are locked in place) are still discursive in nature. It means that these governance patterns may not change private investment decisions and outcomes, and thus make little impression on the materiality of globalising economic processes.

What then has been the work of a decade of intense institutional experimentation? It can be argued that institutional capacities within the state-regulatory apparatus to affect private sector processes have been enhanced. In addition, policy knowledges are now available that allow actors to at least ‘know what they didn’t know’ a decade ago. Back in the early 1990’s, Auckland’s economy may have been ungovernable politically. A case can be made that the emerging institutional framework for economic governance involving Auckland is at least *reflecting* Auckland’s globalising character. Thus, the contemporary governance trajectories for New Zealand’s largest city are *potentially* consistent with participating competitively in the globalising economy. Influencing Auckland’s and New Zealand’s global economic integration under current political-economic conditions remains a formidable political and policy task.

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List of Interviews and Personal Communication

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- Student (2003), Personal written communication with author, June 17, 2003

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Appendices

Appendix One: Auckland Regional Economic Development Strategy (AREDS) - Overview (Source: AREDS)

<i>Strategic Direction</i>	<i>Strategic Objectives</i>	<i>Focus of Key Programmes</i>
Outward Focus: Connecting to the World	Promote Auckland Region	Develop integrated marketing programme for the Auckland region, Develop regional action plan to target, attract and exploit international events Provide a single facilitation point for overseas visitors and businesses
	Encourage Innovation	Link effectively into the Growth and Innovation Framework (GIF) to ensure sufficient resource allocation and effective implementation Support the development of strong local and regional networks (inter-company, inter-industry and inter-institutional) Develop a regionally coordinated approach to the incubator concept
	Develop Overseas Markets	Implement a focused programme to attract Foreign Direct Investment (FDI) in key sectors Link priority sectors with key markets Maximise opportunities from expatriate and migrant networks Exploit existing and developing trade arrangements Advocate the Auckland region's position in national interventions into export market development
	Support Exports	Establish programmes to help SME's to enter or expand into international markets: Establish a key export cluster programme Develop a communications plan to promote initiatives, celebrate developments and influence opinion on export involvement Establish programmes to assist SME's subcontracting to Multinational Enterprises (MNE's)
Platform of Exceptional People, Cultures, Environment and Infrastructure	Provide a High Quality Living Environment	Develop a regional Business Land Strategy, in conjunction with the implementation of the RGS and the RLTS, addressing land supply and infrastructure for existing and new businesses Promote the Auckland region's cosmopolitan, multicultural nature, and natural and physical environment (showcase events, support arts) Strongly advocate for the implementation of regional strategies, including the RGS, RLTS and the Open Space Strategy
	Build an Entrepreneurial Culture	Promote wider community awareness of entrepreneurship Support proactive programmes aimed at nurturing community based enterprises and partnerships Support and promote the introduction of concepts of entrepreneurship into the education curriculum (e.g. Business Enterprise schemes)
	Produce a Skilled, responsive Labour Force	Establish and resource an Education Forum in association with the Tertiary Education Commission (TEC) and other stakeholders Facilitate the implementation of the opportunities identified by AREDS in association with the TEC Utilise migrant skills to meet skills gaps, while also taking long-term advantage of the diverse skills brought into the region by migrants
	Deliver a High Quality, Responsive Government	Develop regionally consistent best practice regulation, service delivery and measures to business including: Building relationships between local government and business at both the strategic and operational levels Building relationships between AREDS, local government and enterprise Providing a regional voice to influence national policies to support AREDS outcomes

Appendix Two: The Auckland Regional Development/Planning Policy History (Source/ Author/RGF, 1997)

<i>Time Period</i>	<i>Key Legislation</i>	<i>Content of Legislation</i>	<i>State Institutional Context</i>	<i>Mode of Institutional Relations</i>	<i>Degree of Public Involvement</i>	<i>Key Organisation</i>	<i>Planning/ Strategic Policy Framework</i>	<i>Governed Activity</i>	<i>Key Development Activity</i>
until WW II	Town Planning Act 1926	Provision for regional planning	Strong central government guidance, regional schemes optional and non-binding	Prescriptive	Low	Ways and Means Committee 1940	Non-binding Preliminary Zoning Scheme	Land use	Rapid Suburban Development, state house programs
1940's/ 1950's	Town Planning Act 1953	Planning control mandatory for local councils				Metropolitan Planning Organisation 1946	Non-binding Regional Master Plan 1951	Car-based urban development; land - use infrastructure, transport, econ. promotion, safe neighbourhoods	Harbour Bridge, suburban development
1950's/1960's	Auckland Regional Authority Act 1963					Auckland Regional Authority (ARA) 1963	Non-binding Regional Master Plan 1967	Conservation and econ. development, land classification and staging development, Coordination of all services/ amenities	Development Decade: Sewage Works, Airport, Motorway System, Public Housing
1970's	Local Government Act 1974 Town and Country Planning Act 1977	33 loc. Councils; Reg. council arm of central government; Reg. schemes need ministry approval; incorporation of soc., econ. and environm. values	regional schemes mandatory, regional government as promoter of central government development policies	Shift from prescriptive to enabling	Increasingly participatory	Auckland Regional Authority (ARA)	Non-binding First Regional Planning Scheme	Regional planning as process, very general policies and proposals	Central government schemes in region, sprawling development
1980's	Local Government Act 1989	7 local councils split between service and delivery functions	Abandonment of regional planning			1989 ARA becomes ARC, roles of planning, environmental management and parks	1982 Proposed Auckland Regional Planning Scheme, operative 1989 (non-binding)		
1990's	Resource Management Act 1991		Reg. government layer; local council reduction, policy-delivery split	Increasingly enabling		ARC key implementer; RLTC, RGF	1993 RLTS; 1995 Reg. Policy Statement; 1999 RGS		Major developments in South-East; Britomart Transport Hub under way

Appendix Three: Interview Details (Source/ Author)

<i>Interview</i>	<i>Informant</i>	<i>Date</i>	<i>Type</i>	<i>Place</i>	<i>Institutional Field</i>	<i>Organisation/ Project</i>	<i>Position/Background</i>
1	1	5 Nov, 2004	Face-to-face	Informant's Home, Auckland	Business/ Private Sector	Competitive Auckland	Chair; Company Director
2	2	8 Nov, 2004	Face-to-face	Informant's Office, Auckland	Business/ Private Sector	Competitive Auckland	Director; Company Director
3	3	8 Nov, 2004	Face-to-face	Informant's Office, Auckland	Central Government Agency	Transit New Zealand	Regional Manager
4	4	8 Nov, 2004	Face-to-face	Informant's Office, Auckland	Community	Competitive Auckland	Director, CEO
5	5	9 Nov, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Councillor, Committee Chair
6	6	10 Nov, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Manukau City Council	Director
7	7	10 Nov, 2004	Face-to-face	Neutral, Auckland	Business/ Private Sector	Competitive Auckland	Director; Company Director
8	8	11 Nov, 2004	Face-to-face	Informant's Office, Auckland	University	Knowledge Wave Trust	Director; Education Manager
9	9	11 Nov, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland City Council	Councillor, Committee Chair
10	10	12 Nov, 2004	Face-to-face	Neutral, Auckland	Local Government	Auckland Regional Council	Manager
11	11	15 Nov, 2004	Face-to-face	Informant's Office, Auckland	Central Government Agency	New Zealand Trade and Enterprise	Regional Advisor
12	12	16 Nov, 2004	Face-to-face	Informant's Office, Auckland	Business/ Local Government	Tourism Auckland	CEO
13	13	16 Nov, 2004	Face-to-face	Informant's Office, Auckland	Central Government Agency	New Zealand Trade and Enterprise	Regional Advisor

14 ¹	14 a 14 b	17 Nov, 2004	Face-to- face	Informant's Office, Auckland	Local Government	Auckland City Council	Senior Officer/ Acting Manger Director
15	15	18 Nov, 2004	Face-to- face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Manager
16	16	19 Nov, 2004	Face-to- face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Director
17	17	18 Nov, 2004	Face-to- face	Informant's Office, Auckland	Business/ Local Government	Auckland Regional Economic Development Strategy (AREDS)	Chair, Implementation Leaders Group; Company Director
18	18	18 Nov, 2004	Face-to- face	Neutral, Auckland	Business/ Private Sector	Competitive Auckland	Director, Management Consultant, Company Director
19	19	18 Nov, 2004	Face-to- face	Informant's Office, Auckland	Business/ Private Sector	Competitive Auckland	Director; Chair 'Committee for Auckland'; Company Director
20	20	19 Nov, 2004	Face-to- face	Informant's Office, Auckland	Business/ Local Government	Infrastructure Auckland	Manager
21	21	19 Nov, 2004	Face-to- face	Informant's Office, Auckland	Business/ Private Sector	Auckland Regional Economic Development Strategy (AREDS)	Chair; Company Director, Consultant
22	22	22 Nov, 2004	Face-to- face	Informant's Office, Wellington	Central Government Ministry	Ministry of Economic Development (MED)	Senior Policy Analyst, Acting Manager
23	23	22 Nov, 2004	Face-to- face	Informant's Office, Wellington	Central Government Agency	New Zealand Trade and Enterprise (NZTE)	Director
24	24	22 Nov, 2004	Face-to- face	Informant's Office, Wellington	Central Government Ministry	Ministry of Research, Science and Technology (MoRST)	Central Government Policy Advisor
25	25	23 Nov, 2004	Face-to- face	Informant's Office, Wellington	Business/ Local Government	Positively Wellington Business	CEO

¹ Interview with two informants simultaneously

26	26	23 Nov, 2004	Face-to-face	Informant's Office, Wellington	Business/ Local Government	Economic Development Association of New Zealand	Manager
27	27	23 Nov, 2004	Face-to-face	Informant's Office, Wellington	Central Government Agency	New Zealand Trade and Enterprise	Director
28	28	23 Nov, 2004	Face-to-face	Informant's Office, Wellington	Central Government Agency	New Zealand Trade and Enterprise	General Manager
29	29	24 Nov, 2004	Face-to-face	Informant's Office, Wellington	Central Government Agency	New Zealand Trade and Enterprise	Manager
30 ¹	30 a, 30 b	24 Nov, 2004	Face-to-face	Informant's Office, Wellington	Local Government	Wellington City Council	Director CEO
31	31	25 Nov, 2004	Face-to-face	Informant's Office, Wellington	Local Government	Wellington City	Mayor
32	32	25 Nov, 2004	Face-to-face	Informant's Office, Wellington	Local Government	Local Government New Zealand	Manager
33 ¹	33 a, 33 b	26 Nov, 2004	Face-to-face	Neutral, Christchurch	University	Lincoln University	Academic Academic
34	34	29 Nov, 2004	Face-to-face	Informant's Office, Auckland	Business/Private Sector	Committee for Auckland	Project Manager
35	35	29 Nov, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Senior Policy Analyst
36	36	30 Nov, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Manager
37	37	02 Dec, 2004	Face-to-face	Informant's Office, Auckland	University	Auckland University of Technology (AUT)	Academic

¹ Interview with two informants simultaneously

38	38	02 Dec, 2004	Face-to-face	Informant's Office, Auckland	Business/ Local Government	Auckland Regional Economic Development Association (AREDA)	Chair; Economic Development Manager
39	39	02 Dec, 2004	Face-to-face	Researcher's Office, Auckland	Business/Private Sector	New Zealand Institute	Chief Executive
40	40	03 Dec, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Manukau City Council	Senior Officer
41	41	03 Dec, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Manukau City	Mayor
42	42	06 Dec, 2004	Face-to-face	Informant's Office, Auckland	Business/ Private Sector	Auckland International Airport	CEO
43	43	08 Dec, 2004	Face-to-face	Informant's Office, Auckland	Business/ Local Government	Ports of Auckland	CEO
44	44	09 Dec, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Self-employed	Consultant/Previous Manager
45	45	17 June, 2003	Face-to-face	Informant's Office, Auckland	University	Knowledge Wave Trust	Project Manager
46	46	18 June, 2003	Face-to-face	Informant's Office, Auckland	Local Government	Auckland City Council	Manager
47	47	23 June, 2003	Face-to-face	Informant's Office, Auckland	Business/ Private Sector	Competitive Auckland	Executive Manager; Private Sector Manager
48	48	24 June, 2003	Face-to-face	Informant's Office, Auckland	University	Knowledge Wave Trust	Chairman, Knowledge Wave project team; Pro-Vice Chancellor, University of Auckland
49 ²	45	24 June, 2003	Face-to-face	Informant's Office, Auckland	University	Knowledge Wave Trust	Project Manager
50	50	25 June, 2003	Face-to-face	Informant's Office, Auckland	Local Government	Auckland City Council	Arts Planner
51	51	27 Apr, 2004	Telephone	Neutral, Auckland	University	Knowledge Wave Trust	Project Manager

52	52	21 June, 2004	Tele-phone	Researcher's Office, Auckland	Business/ Local Government	Enterprise North Shore	CEO
53	53	21 June, 2004	Tele-phone	Researcher's Office, Auckland	Local Government	Waitakere City Council	Senior Officer
54	54	21 June, 2004	Tele-phone	Researcher's Office, Auckland	University	University of Auckland	Academic
55	55	21 June, 2004	Tele-phone	Researcher's Office, Auckland	Local Government	Auckland City Council	Manager
56 ²	36	26 Apr, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Manager
57 ²	36	18 June, 2004	Face-to-face	Informant's Office, Auckland	Local Government	Auckland Regional Council	Manager

² Follow-up interview with same informant, see previous interviews

Appendix Four: Alternative Production of Policy Knowledges – an Example

Alternative Construction of Actor-Worlds: Creation of embodied Policy Knowledges through Cross-Institutional Co-learning Experience

(Addition to Chapter Six, section on ‘Production of Policy Knowledges: Enrolment of Expertise for a ‘Knowledge Wave’ ‘Story-Telling’ Performance’)

An alternative view at how policy knowledges are produced in a local context can be presented in the ‘innovative’ regional geography policy teaching/ learning experience at the School of Geography and Environmental Science at the University of Auckland that took place in 2003 (see Chapter Four). In this project, knowledges were created through interactive learning embodied in people who - in different roles and to differing degrees - engage in policy or policy relevant work. At the heart of this model was a mixed group of master’s students and policy professionals that took part in an experimental version of a paper on regional development and governance taught at post-graduate level. The session format consisted of one hour literature-based work followed by a second hour of dealing with Auckland-centred policy case studies. This setting can be interpreted as an interactive learning framework, which produces tacit forms of knowledge that can only be acquired through experience (Gertler, 2003), or in practice (Maskell and Malmberg, 1999). It can be linked to Gertler’s (2003, 78) claim that “[p]ractical, problem-based knowledge may be produced collectively through a group-based problem-solving exercise”.

This initiative can be understood as a co-learning experience (Le Heron *et al.*, 2006) that linked three audiences; students, policy professionals and the facilitators¹⁸. Feedback, while mixed, showed that students in particular embraced this concept. One member of this group stated that “the mixed audience helped me to benefit from very different perspectives on the subject matter, and helped to expand my thinking and understanding horizons considerably” (Student, 2003). However, from the representatives of the policy community concerns were raised. According to one partaker, “[t]he course would have been more enjoyable if all participants had basic knowledge of economic development principles...[and] to some extent policy

¹⁸ Facilitators is a more appropriate term than lecturers in such an interactive workshop-style learning environment.

professionals are under-serviced in the current discussion format” (Policy professional, 2003). Finally, from facilitator’s side there was a rather enthusiastic approach. It was commented that “[t]he 2003 course was much more interesting, alive, conversational than the model I experienced in 2001” (Reflection of Author/Facilitator, 2003).

These diverse views on this learning experiment highlight the contentious dimensions of regional embodied knowledge production processes. It also reveals contingent aspects as the previous contacts made by one of the facilitators greatly enhanced the chances to convince policy professionals to participate. Another insight is the realisation that knowledge production can be understood as a series of presentations, which highlights the performative aspects of representing economic and territorial processes. The probably most fundamental insight is that learning is a social process. In this context, co-learning can be understood as a deeply relational process that involves resource flows between all actors involved (including ‘teaching’ personnel). The masters course also advanced cross-boundary thinking that produced particular subjects (Le Heron and Wetzstein, 2003a), probably in the form of more critical and reflexive thinkers on regional policy and governance issues. The course also highlighted that the production of embodied knowledge is influenced by the personal history and the institutional affiliation of the individual. Older policy professionals with a certain history in working for a particular council had developed somewhat stronger views on specific issues. In particular, MCC and WCC seem to have clearly articulated philosophical stances on many policy issues that inevitably affect assumptions and perspectives of individual employees.

Some course participants perceived the applicability of findings of the international literatures to the local context as rather limited. This finding supports calls for intermediary actors and initiatives that are able to help contextualising knowledge created in non-local settings. The geography masters course in 2003, as well as the Florida research support project, can be understood as parts of such intermediary knowledge producing frameworks. While the former initiative used many knowledges derived in global contexts and allowed critical reflection of their usefulness in explaining local processes, the latter dealt with one particular fashionable non-local idea and how it might be adapted to suit local conditions. Both examples emphasise the importance of actor reflexivity and creativity in knowledge production processes, as

well as the significance of context in the construction of representations of economic and wider territorial processes.

The interactive teaching/ learning experiment can be understood as an alternative form of production of embodied policy-relevant knowledges on the interface between university and policy. A review of the international literature reveals that this kind of knowledge generation is largely unexplored and unproblematised. This finding is somewhat surprising as embodied and tacit knowledge production and dissemination have received increasing attention in work on the dynamics of innovation and economic change (Lundvall and Johnson, 1994; Nonaka, 1995). Speculating about potential future engagement in similar learning arenas, key agents in any such process may be people assembled from the private sector as the key owner of resources, from the public sector as the mandated actor to govern wider development processes in territory, and specific knowledge producers such as universities, consultancies and associations. The functional interdependencies of this multitude of actors potentially opens up a potentially large space for interactive knowledge production processes in order to provide economic decision-makers and regulators with more comprehensive knowledges about investments processes and their governance in place.

In praxis however, links between these diverse actors are often not existing, or underdeveloped. Under neoliberal conditions, there are multiple institutional orders and a predominance of contractual relationships that guide actor interactions. This trend has led to 'silo'-building in institutional relations that impede spatial cross-fertilisation in territorial knowledge production processes. In this context an ACC manager welcomed Florida's public seminar and the research support project. He contends that "...a university's role today is to challenge the city council. This is a person which is good for you, has good ideas. We are busy, have no time to keep up with the latest thinking. The guest speaking seminar was a good move" (Informant 46, 2003). In sum, cross-institutional co-learning has been shown to be a possible alternative for constructing individual assumptions and understandings on Auckland's and New Zealand's economic and governance processes. Importantly, by doing so, these learning processes have co-constituted, authorised and facilitated the circulation of policy discourses.