Influencing Global Economic Participation? 'After-neoliberal' Policy Practices and Discursive Alignments in Auckland's Regional Governance

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Introduction

New Zealand has become (in) famous for its fast and extensive neoliberal political reforms of the 1980’s and 1990’s, which resulted in intensive restructuring of the national economy (Le Heron and Pawson 1996). A new political economic governance framework was put into place that focused on the creation of competitive markets as the key strategy for achieving allocative efficiency (Deeks and Enderwick 1994). In recent times, sources of economic value have increasingly been sought in the areas of knowledge-rich activity and the deeper integration of local actors and activities in the globalising economy. In the context of New Zealand’s peripheral, small and largely resource-based economy, policy makers today face the key challenge of influencing local-global connections in investment processes in value-adding activities in ways that make private sector decision-making reconcilable with wider objectives for New Zealand’s sustainable development. Auckland, as New Zealand largest regional economy and traditional gateway to the world, plays a central role in these policy considerations. It therefore is a relevant site for analysing the ways current policy practices are able to influence the global economic participation of local economic actors.

It is recognised in the literature that increasing global economic integration, 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
In this context, urban and regional spaces of governance take on particularly important roles as centres of coordinating global economic flows under contemporary conditions of ‘globalising capitalism’ (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 governance under ‘urban entrepreneurialism’ (Harvey 1989). Less is known, however, about how expansionary economic processes and globalising economic relations are thought to be facilitated from and through city-regional political spaces under ‘advanced’ neoliberal political-economic conditions.

This chapter seeks to interpret the work of political and policy interventions into Auckland’s regional economy in the post-restructuring period between the mid-1990s and mid-2000s. By focusing on the work of particular regional actors such as the Auckland Regional Growth Forum (RGF), the Auckland Regional Economic Development Strategy (AREDS) and the business-initiative of ‘Competitive Auckland’, answers are sought to two questions: how, through what practices, is governing performed in this political-economic moment, and whether expansionary effects on economic processes can be discerned? This type of analysis calls for a multi-method investigative framework incorporating interviews with key actors such as local politicians, government policy analysts and business people, re-interpreting policy text such as strategy documents and minutes of officer meetings, and the critical observations and experiences of the author who himself has worked in Auckland’s local government. The central claim is that in an ‘after-neoliberal’ moment, emerging governing practices are largely of discursive nature with - to date - unknown material effects. The remainder of this chapter first utilises a range of literatures to interpret recent changes in Auckland’s economic governance before outlining in more detail key governing practices that aim to change the behaviour of
political and economic actors in Auckland. After illuminating some of the observable effects of current governing approaches, the concluding discussion answers the question raised in the chapter title.

**After Neoliberal Restructuring: Re-worked State, ‘At a Distance’ Governing and Public Policy Complexity**

Under neoliberal reform, the New Zealand state became organised according to private sector principle. Its policy functions were redesigned on the basis of an output-focused policy framework that separated development from delivery structures. The central state removed itself from direct economic management in the regions, while local state interests responded by shifting to a more facilitating mode of engagement with private investors. In Auckland, a fragmented and competitive local state had been further consolidated under new local government legislation. Today, Auckland’s 1.3 million people are governed by seven local territorial councils and an overlaying regional council (see Figure 1). Increasingly, the regulatory local state apparatus has included many quasi-autonomous actors that, in their entirety, constitute a complex institutional system of local governance. Auckland’s businesses and labour responded to the new conditions set out by restructuring by competitive upgrading and increased flexibility. Overall, regional development has been driven by consumption-led and land-based investment strategies. While international migration and rising imported goods have become an expression of intensifying local-global links, recent analyses have highlighted the increasing economic marginalisation of Auckland in terms of exporting activity, the role as a physical gateway between New Zealand and the world, and in servicing the country as a business hub (Le Heron and McDermott 2001). Other policy challenges include pressures on land and infrastructure, social
polarisation, rapid cultural diversification, environmental degradation and heritage loss.

[Insert Figure 1.1 near here – portrait]
A series of public and public-private initiatives has emerged in reply to the new problems in Auckland’s development. A first region-wide governance arrangement was the RGF, a co-operative partnership between Auckland’s councils to examine the options and alternatives for future population growth, and to manage its effects on the environment, infrastructure and local communities. The activation of local business interests in the ‘Competitive Auckland’ initiative aimed at both, raising the awareness of Auckland’s globally referenced economic underperformance, and influencing state institutions to promote Auckland globally. This project became part of the founding platform for AREDS, a public-private policy project that produced a twenty year strategy for facilitating Auckland’s growth based on intensified global economic connectivity (AREDS 2002).

These diverse initiatives on the state-economy interface can be understood as an expression of the widespread institutional experimentation that characterises this political-economic moment. Ever new institutional arrangements are invented in search for more closely aligned interests that may lead to expansionary effects on economic processes. Auckland’s recent history of economic governance also highlights the importance of networked governance arrangements rather than purely hierarchical or market forms of coordination (Wetzstein 2006). Yet, interest group politics around a multiplicity of issues remain a core ingredient of regional governance. This highlights the importance of conceptualisations that view processes of regional and urban governance as 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 (Ward and Jonas 2004; While et al. 2004).

An intriguing aspect of attempts to influence investment decisions has been the ways governing is performed. MacKinnon (2000) contends that the neoliberal state is not absent from governance arrangements but always manifests itself in different forms, different representations, and in different ways of governing. Thus the state acts ‘at a distance’ (Rose 1999). In the New Zealand context, policy aspirations are now re-oriented from outputs to outcomes, a development that 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. Policy complexity is further enhanced by trends towards the integration of outcomes in current discourses. Terms such as ‘sustainable development’, ‘quality of life’ and ‘economic wellbeing’ link together separate policy objectives and create phrases that produce new meanings (Dalziel and Saunders 2004). The shift towards outcome-focused policy frameworks aiming to align policy and resource allocation goals of a multitude of actors has produced both, more complex economic governance and a more complicated public policy world over recent years. Larner and Le Heron (2002) contend that emerging practices of governing ‘from afar’ increasingly entail incorporations of spaces of calculation and measurement such as indicators and benchmarking. They 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. The latter can be usefully understood as actor networks, which include both discursive and technical dimensions.
Recently, Larner and Craig (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 et al. (2007) 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. This political programme can be viewed 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 and knowledge-driven economy.

Part of the ‘after-neoliberal’ regulatory moment seems to be the emergence of discursive practices of governance that have received increasing attention recently in research on Sydney’s global city discourse and its metropolitan planning processes (McGuirk 2004).

**Attempts to Re-orient Actors’ Goal Settings: ‘Story-Telling’ and Calculative Practices**

**Narrating Auckland’s Performance**

A key objective of current policy initiatives is the mobilisation of actors and resources by focusing on actors’ goal-settings in regards to governing and investment. ‘Story-telling’ has become a central practice in this regard. These stories construct Auckland’s performance in economic, social, cultural and environmental arenas. They are now central ingredients of political strategies to intervene into the regional economy. Telling narratives in order to inspire and mobilise other actors has become a key governing technique to achieve desired 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 differing narratives on the performance of New Zealand’s largest city-region are embedded in distinct political discourses. These can be understood as both the expressions and the media of evolving and co-constituted political projects. Auckland’s policy world is a particular governance arena where these wider political projects are played out and given content.

The narration of a coherent and appealing story is perceived as effective in changing actors’ behaviours. As a ‘Competitive Auckland’ member 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 to sign up, makes them to compromise with their own objectives. (Private sector manager 2004)

In Auckland’s economic intervention space, multiple stories are activated and circulating at any time. One discourse constructs Auckland as a coherent city rather than a fragmented region. In this context, a diverse coalition of interests including Auckland City Council politicians and local business leaders have placed an emphasis on the Central Business District, heritage questions, global economic comparisons and ceremonial moments in public life that together represent Auckland as a unified, urban, sophisticated and global city-region. On the other hand, Auckland is continually being depicted as a non-coherent, divided and competing place of many sub-regions by local growth coalitions consisting of local councils and developers. Another policy discourse constructs Auckland as a centre of the knowledge economy and creativity, with innovative industry sectors and knowledge workers abound. However, there are also absent discourses and discursive silences such as the fates of the so-called ‘sunset industries’ and small to medium-sized businesses.
A central part of telling stories in governance arenas is the enrolment of knowledges that provide content to, and authorise, these narratives. Globally sourced knowledges in particular played an important role in recent initiatives. Global consultancy knowledge created for ‘Competitive Auckland’ shaped thinking in the AREDS initiative. Embodied knowledges such as those of overseas ‘experts’ - mostly from the USA - influenced conceptualisations on growth issues in a range of local sites. These findings not only confirm that New Zealand’s public policy history has been strongly influenced by ideas from other parts of the world (Craig and Porter 2005), but that enrolling knowledges for specific governing projects, and by commissioning studies on socio-spatial topics, state policy-makers, politicians and other local interests effectively talk a city’s identity into existence (McNeill et al. 2005).

*Creating Imaginaries through Benchmarking and Indicatorisation*

Emerging practices of economic governing are directed towards the strategic self-management of actors. A key governmental technique in this regard is the constitution of particular governance domains through the use of calculative practices aimed at creating desired imaginaries among actors. Two broad orientations can be discerned: the imagining of globalising links, flows and relationships through global benchmarking, and an increasing trend towards stimulating thinking about what sustainability may mean in practice through the widespread use of indicators. Both practices, besides audit and contractualism, are 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 2002: 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. It has been vital in the constitution of governing thought in Auckland’s recent policy initiatives. For example, the rationale for ‘Competitive Auckland’ to start its campaign was the realisation among its members that Auckland’s economic performance over the past decade had been poor relative to that of benchmark cities. Their research on problems and potential solutions to Auckland’s perceived institutional deficits had been based on international benchmarking derived from case studies conducted in the United Kingdom, Canada, USA and Australia. AREDS has used benchmarking as a means to construct Auckland as part of the Asia-Pacific region (NZIER 2002). Finally, policy work in the Auckland Regional Council has been increasingly guided by benchmarking exercises and global case studies to inform local decision-making processes.

Benchmarking in a global comparative sense includes two dimensions. As a policy maker explains: “we benchmark ourselves against cities we admire but we won’t catch-up to, and against cities that we are competing against for investments looking for a new home” (Local government manager 2004). The management literature on benchmarking confirms 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). Benchmarking is now transforming into a governmental strategy. Larner and Le Heron (2004) 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’. However, it can also fuel and give content to inter city competition for investment and people (Wetzstein and Le Heron 2003). By naturalising an outward-focused mentality, benchmarking contributes to a new
globalising governmental rationality that aids to align diverse actors such as individuals, organisations, industry, cities and regions (Larner and Le Heron 2004).

A related trend has been the increasing use of indicators in governing practice. They have become widely accepted as tools to measure strategic action in New Zealand’s and Auckland’s policy environment. As Table 1 shows, they emerge in various governing sites such as central government entities, organisations of Auckland’s local state, and private consultancies. The objects that are measured through indicators are observable dimensions of economic, social, environmental, cultural and institutional processes. New indicator developments increasingly aid to make associations between these different processes. As indicator-based practices are constitutive of new 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; and therefore imaginable in this way by actors.

Discursive Alignments of Interests in ‘After-neoliberal’ Governance Moment

Current governing practices of ‘story-telling’, benchmarking and indicatorisation aim to re-direct actors’ imagination and aspiration to particular aspects of economic activity. These practices are constitutive of new spaces of governance in which value creation is linked with global networks and comparisons as well as a high content of knowledge and creativity. Economic activity is now constructed in ways that make the reconciliation with wider societal objectives in social, environmental and cultural
realms imaginable. But what have emerging discursive forms of governing actually been able to achieve in regards to addressing Auckland’s development challenges? The investigation of recent policy and political projects reveals that the understandings of actors about the economy and interventions are diverse and multiply constructed. However, there are increasing discursive alignments of interests across institutional and geographical spaces around particular narratives. The latter include stories of Auckland’s globally referenced economic development, the importance of urban-sustainable initiatives and heritage considerations for its future growth as well as the assumption that economic activity must be creative to create value. But alignment has limits. While some actors have changed their assumptions, governing intentions and expectations as a result of recent engagement processes, others have been unaffected.

What then is the regulatory nature of this ‘after-neoliberal’ moment in Auckland’s and New Zealand’s political-economic history? It can be claimed that New Zealand’s by far biggest regional economy is largely discursively regulated. The widespread use of discursive governing practices such as the use of stories and calculative practices influence actors’ goal-settings and aspirations in regards to governing and investment decisions. They contribute to increasing - but by no means fully - alignments of interests around particular political projects and thus mobilise actors and the resources they posses. As further research indicates, the most immediate effects of these emerging practices are changed processes, institutions and policies of the state. This, for example, involves changed assumptions about the nature of interventions under globalising conditions among some central and local state actors. But so far, neither large private sector organisations such as Auckland’s international airport and its seaport nor bundles of small investors were mobilised in
any significant way through new governing techniques (Wetzstein 2006). ‘After-neoliberal’ governance seems to largely stop short of changing private investment behaviours. Differences in the way regulators and private actors construct their worlds - their differing languages, assumptions and work modes - have not been challenged in any significant way.

**Concluding Reflections: Globalising Orientation of Auckland’s Policy World and Unknown Regulatory Effects**

This chapter argues that in New Zealand’s neoliberalising context and under globalising conditions, Auckland’s regional economic development policy practices are about influencing other actors’ perceptions and assumptions in regards to investment objectives, and not about direct 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 sustainability through the balancing of investment goals. These governmental techniques used in recent political interventions and policy initiatives facilitated discursive alignments of interests leading to transformative effects on the state-regulatory apparatus. Altered private investment behaviours, however, could not been detected so far. They are unknown. Thus economic processes involving actors and activities in Auckland are largely discursively mediated by political and policy efforts.

To what degree then can Auckland’s global economic participation be influenced politically under current conditions? At best, proliferating discursive practices of governance provide a very modest hope for achieving this ambitious regulatory goal. 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.

Future research projects could assist the development of better suited policy. They must look more critically at the ways investment conditions are actually reshaped by political and policy interventions by tracing regulatory effects in multi-method case studies. Importantly, there need to be a feeding back of the results into policy learning processes. More investigations are needed in contemporary political economy and policy-directed research that put the individual actors - firms, organisations and people - in the centre of their analyses. Finally, new research could ask more specifically whether current changes in Auckland’s economic governance allow for a better reconciliation between economic and social-environmental objectives as stressed by current policy discourses. In order to understand how to assist the re-positioning of people and firms in a globalising world, knowledges about their multiple relationships and interactions in the emerging global economic configurations and regulatory spaces are paramount.

In conclusion, the discursive nature of public policy and economic governance changes means that current intervention patterns may not affect private investment decisions and outcomes, and thus make little impression on the materiality of globalising economic processes. A case can be made however that through narrating stories about a global and competitive Auckland and by constructing global imaginaries using numbers and benchmarks, Auckland’s public policy world becomes
more globally oriented. But despite this, it is very obvious that influencing Auckland's and New Zealand’s global economic participation under current political-economic conditions remains a formidable political and policy task.

Acknowledgements

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List of Tables and Figures

Figure 1.1 Local Councils in the Auckland Region

Source: School of Geography, Geology and Environmental Science/University of Auckland
Table 1.1 Benchmarking and Indicator Reports in New Zealand’s and Auckland’s Policy World

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<td>150+ Forum, CEO’s project group</td>
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<td>119</td>
<td>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</td>
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<td>Our Changing Environment</td>
<td>Auckland City Council</td>
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<td>Performance Measures: Auckland Regional Council, Annual Report</td>
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<td>The social report: indicators of social wellbeing in New Zealand</td>
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Source: Author