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# Greater Victoria's Global Fluency

The Path to Sustainable Prosperity



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# Executive summary

COVID-19 is a shock to the system of cities and regions. Its effects demand a new phase of international orientation for those seeking a long-term success model.

New economic realities are hitting — rapid digitisation and automation, ageing societies, insufficiently diversified economies, trade conflicts, and competition from emerging markets. They demand fresh approaches to talent, technology, development, resilience and value creation.

Adopting and executing new approaches come naturally to regions that have global fluency.<sup>1</sup> A globally ‘fluent’ region, an idea pioneered by the Brookings Institution, is one that can not only ‘read’ the global market, but also listen and speak confidently. It is one that understands how to use the assets and relationships it has already gained and combine those with deliberate efforts to change path and fill new competitive niches. By contrast, regions that are unprepared or unwilling to adjust become stuck in narrow formulas for success, and ultimately are unable to deliver prosperity over multiple business cycles

In recent cycles, Greater Victoria has largely had an insular orientation. And yet the region today plays at least four interlocking roles that fuel many global relationships:



- A vibrant set of outward-facing clusters in digital technologies, marine science, agribusiness, film and TV.
- A Pacific gateway for agile and astute enterprises serving North American and global markets.
- An established and trusted international centre for higher education and tourism.
- A niche location in the Pacific Northwest mega-region, one of the world's crucibles of advanced industries.

Changes in the global economy, accelerated by COVID-19, mean that the region cannot expect to rely on its serene quality of life, entrepreneurial endowment and island identity to stay competitive. It will need to use its international assets much more intentionally for a new cycle.

Becoming more globally fluent is not some distant dream or impractical ideal. It is essential to deliver prosperity and life chances to the next generations of Victorians. The alternative is a medium-productivity, low-amenity, low-affordability future – and a future where Greater Victoria's cherished strengths will be progressively eroded and undermined.

## Greater Victoria's traits

More than a century of international experience has observed that globally fluent regions have a combination of 10 main traits.

A small, highly liveable region like Greater Victoria usually heads on to a path to global fluency by acquiring one or two of the traits in sufficient depth such that it becomes aware of global opportunities and energetically starts to prepare and pivot to future drivers of demand.

**Currently, however, Greater Victoria exhibits only a small number of the traits of global fluency and these need to be developed further.**

One of Victoria's most visible traits is its forward-looking leadership with a world view (Trait 1). The City is promoting a concerted strategic agenda for the region's future economy, aligning with global issues and being generous to the world. There are also promising signs that previously dormant civic and business leadership is combining, via the Rising Economy Taskforce, to agree on the central strategic issues, and develop a collaborative, whole-region approach that provides a depth and durability of vision, skills, and delivery capability.

The region's comfortable quality of life and spectacular natural assets give it a sense of opportunity and appeal to newcomers (Trait 6). It also has elements of a culture of knowledge and innovation (Trait 4), embedded in its entrepreneurship base and its knowledge and defence institutions.

**On the other hand, there are traits which are either not widely visible or are so absent as to present significant barriers to Greater Victoria's competitive success:**

Greater Victoria's limited international profile (Trait 10) inhibits its potential to grow its innovation economy. Its tourism and sedate quality of life assets are more visible than its business or entrepreneurship qualities. The region's legacy of trading internationally has not yet translated into an instinct to think and engage globally (Trait 2). And Greater Victoria does not benefit from an enabling government framework (Trait 9) whereby higher levels of government consistently support the region to be physically and commercially connected to the global economy, or provide the incentives or reforms to deliver 'whole region' solutions and approaches.

**And there are other traits that will need to be sharpened as the region embarks on global opportunity.**

Greater Victoria has some promising specialisations with potential to gain genuine global reach (Trait 3), but these require effective eco-system organisation, infrastructure and visibility. Its connectivity platform (Trait 7) could link local companies to international markets even more successfully than it does. It has only had occasional success in securing investment for larger strategic priorities (Trait 8), and as the region grows more mechanisms will be needed to fund and co-ordinate investment.

Many of Greater Victoria's biggest advantages are more the product of happy accident than of intentional cycles of investment, leadership and innovation. Much of the capacity created by its advantages has been used up, and there is a need to galvanise its business know how and knowledge institutions in light of global competition (Trait 5) and seize the opportunities inadvertently presented to it by COVID-19.

## Towards a globally fluent Greater Victoria

Taking global fluency seriously for Greater Victoria will mean sequencing immediate priorities and becoming prepared for the future dilemmas and challenges of regional growth in the next business cycles.

A pathway to global fluency is visible for Greater Victoria, over multiple phases.

International experience suggests that in **the 1<sup>st</sup> phase** it will be important to gain momentum, build confidence in the new agenda with the civic and business communities, and demonstrate impacts that have both a business benefit and a public good. Public leadership within the City is essential to shift to being proactive and intentional towards global markets for the first time, to developing a more integrated brand proposition that links business to tourism, and to building networks of organisations and exploring how they might work better together. This phase is often given momentum by a catalytic quarter or district connected to a CBD or waterfront location, as can be the case with the Arts and Innovation District.

**In the 2<sup>nd</sup> phase**, regions on a path to global fluency start to demonstrate the region-wide benefits of a global approach. More of the region recognises the connections between innovation, enterprise, good jobs, creativity, culture, cohesion and place-making. Strategic plans start to be adopted by more of the region, and initial efforts toward fostering a second hub location for innovation may be attempted. Public leadership still plays key roles in financing and strategising for global engagement, but wider leadership groups have been fostered outside Government, and multi-agency coordination across local governments has grown. Educational and cultural institutions start to become fully engaged, and collaboration on innovation agendas with the private sector has scaled up.

**In the 3<sup>rd</sup> phase**, regions embed a globally fluent approach across a wider range of social, environmental, and economic policies. There is greater buy-in to larger reform agendas, and confidence to advocate with one voice to higher tiers of government. In this phase, a region has begun to tell its unique story with great confidence and a differentiating voice. It makes a shift from simply attracting and accommodating business and investment, to being widely recognised for its innovative production. Diversification, both of the industry offer and the locations, is established.

Regions in this phase are usually growing their population base and redefining their spatial strategies, with new locations reinforcing the identity. In this phase networked and dispersed leadership has begun to achieve a level of coordination, trust, and confidence with each other. Public leadership shifts more towards convening other province or national leaders, and greater emphasis on fostering a climate for innovation and experiments. The region's identity is no longer mainly a consumable asset for tourists, but more a carrier of metropolitan DNA, a driver of design and placemaking, and a source of belonging and cohesion.

Some regions eventually reach a **4<sup>th</sup> phase**, when all their development strategies, and wider liveability goals are infused with a shared aspiration for competitive success and resilience.

Leadership is shared and flexible but united by high trust, and there is a common venture to innovate and experiment across many parts of government and civic life. Private and philanthropic investment is optimised and previously novel financial mechanisms have become normalised to guide growth and demand effectively. Regions that have reached this phase will usually have a variety of specialised economic locations, with others evolving all of the time.

Public leadership continues to play the role of convenor and co-creator of strategy and joint venture funder, but it has learned how to optimise the role of civic leadership from across its institutional and social base in the region's promotion and development. Government frequently then combines these co-leadership roles with new initiatives to tackle 'wicked issues' and the 'unintended consequences' of growth in the region. These might include acute affordability challenges, inclusion of the most marginalised people in society, longer term financing of new catalytic projects, or winning the most competitive global contests.

Government brings to these deeper challenges the skills of convening, soft power, and coalition building. It recognises that public finances and public policies alone are not enough.



# The time to begin

The 12 months after the peak of COVID-19 represent a window when the new order of city regions will be shaken up. Benefits will accrue if Greater Victoria can be decisive and relentless in pursuing new opportunities.

As the international evidence [Report 1](#) and [Report 2](#) shows, Greater Victoria can take confidence from the fact that by global standards it has a clear liveability and enterprise advantage, and industry specialisations that have the potential to flourish in a compact regional setting. But it will need to start now to proactively address key gaps around talent retention, urban fabric, affordability, and producing scalable innovation outcomes.

## In the 1st phase three imperatives stand out for Greater Victoria:

- 1. A resilient, innovation-led economy Downtown.** This means first and foremost a relentless focus on the Catalytic project of the Arts and Innovation District and Ocean Futures Cluster, to signal the commitment to a diversified, innovation-led and green economy. This will be key alongside the arrival of visible regional business headquarters and knowledge anchors, such as the Telus Ocean project. It may also make sense to set a target for a larger residential population in Downtown, and to develop a 'whole of place' approach to Downtown that fosters the experience economy and continually invests in tactical urbanism to animate Downtown's capacity to surprise and inspire. Greater Victoria can also explore mechanisms for permanent improvement and re-investment between the public and private sectors and amongst multiple land owners.
- 2. An outward-facing innovation and business brand.** Greater Victoria does not fully reach out to the world despite its edges and proficiency. Its technological, cultural and innovation assets are under-recognised. Greater Victoria needs to create a new positive story about the region and its future that aligns with global economic and social megatrends. A new narrative will help restore private sector confidence, build a broader and more inclusive culture of leadership in civil society, and focus attention on strategic initiatives that can gain political backing in the short term.

This logically begins with the region starting an Identity Building process, which enlists all parts of the leadership ecosystem to develop a story of Greater Victoria's DNA that draws on internal pride to build confidence for the future. Greater Victoria can define a narrative that allows different sectors to adopt common stories across markets.

Once this narrative has been refined, this may be distilled and communicated through a cross-sector promotion alliance that shares costs and benefits. This alliance can seek catalysts for brand exposure, in the form of events, media exposure, film, TV and third-party endorsement from diaspora, alumni and awards. And it also involves mobilising new and established Victorians to habitually spread information about the region worldwide through their family and business networks.

- 3. A clear and complementary role in the Cascadia region.** The Pacific Northwest region brings with it the scale, clout, visibility and diversity to be a major global player in the upcoming cycles where the primary sources of growth will be beyond North America and Europe. Becoming globally fluent means understanding how Greater Victoria can smartly serve, specialise and borrow from this hugely exciting mega-region. Greater Victoria should be working to identify complementarities and initial forms of soft collaboration, and seeing what kinds of connectivity (personal, physical, digital) will be necessary to become more integrated with the region. The creation of shared capability and joint projects involving institutions across the region (e.g., the universities, the airports, large firms) may offer one way forward.

These three priorities can be a lead focus in the next period. Later on, once momentum has been clearly established in these three areas and Greater Victoria has become truly globally oriented, the region can usefully focus on what will be needed in the next phases, including potentially:

1. SIPP's evolution into a permanent independent leadership platform to consistently support the whole region to be ambitious for its future. This would include diversified funding for a comprehensive array of services and strategies for Regional Economic Delivery, that eventually spans Global Identity, Diversification, Gateway functions, Innovation Economy, Regional Benchmarking, Public-Private Trust and Communication, and Ecosystem Orchestration.
2. A clear and compelling set of demands and tactics for Federal Government, including for prioritised investment, asset relocation and conducive industry policy. This may mean learning how to work with Halifax, Ottawa and others to build a commanding case for mid-sized city regions.
3. Eventually recruiting the rest of the institutional framework and building momentum for full metropolitan strategic planning. When Greater Victoria's specialisation and innovation credentials start to grow the base of well-paying jobs and intensify housing, land and skills constraints, it will become essential to achieve a long-term regional consensus to maintain momentum and appetite for growth and success. An efficient multi-centre region will become more of a necessity.

Greater Victoria can chart a path to a future where it is instinctively intentional in adjusting to new economic circumstances, when it can orchestrate transition rapidly and purposefully with its partners, and when it is consistently able to negotiate advantageous relationships with higher tiers of government. These are the hallmarks of fluency in the global economy. They are also the route to a productive and sustainable future.

# Introduction

Despite the shock of COVID-19, city regions remain fundamentally connected to the global economy. Yet they have different degrees of global understanding, competence, behaviour and reach. These ‘traits’ affect how they optimise their role in globalisation and ultimately impact on future progress and productivity.

The Business of Cities co-created and authored the International ‘Ten Traits’ framework with the Brookings Institution. For this paper The Business of Cities has applied this framework for Greater Victoria as an independent assessment. It has not sought authentication from Brookings to undertake this particular analysis.

## Why global fluency matters

Global fluency is about how regions read the world, navigate the map of global opportunity, and develop the capabilities and outreach to continually succeed and compete.

Regions that are globally fluent are better able to turn the benefits of globalisation into long-term citizen advantages – better paying jobs, resilient industries and strong communities. The more globally fluent regions and their businesses and governments become, the better they will be able to influence their own destinies, and increase their competitiveness. Equally, these places learn how to minimise and mitigate the downsides of globalisation. City regions that cannot read global opportunity tend to get stuck in narrow economic formulas that ultimately reduce their appeal.

Achieving global fluency is like learning a new language. It is a long-term process that requires intentional efforts and willingness to take risks. Smaller city regions evolve from being globally aware, to globally oriented, to globally fluent—over the course of decades.

New pathways to enter and succeed in globalisation are opening up all the time. More cities than ever participated intentionally in the most recent cycle (2008-2020), and this trend is likely to continue after the sharpest effects of COVID-19 recede.

## This report

This report evaluates Greater Victoria’s position within the Ten Traits of Global Fluency framework, observing the city region’s strengths and imperatives in each of the ten trait areas.

This evaluation is not designed as a comprehensive ‘balance sheet’, but as a strategically informed diagnosis, based on stakeholder dialogues, benchmarking analysis, and international practice and case studies undertaken between March and August 2020. These also inform [Report 1](#) and [Report 2](#) of this work.

The 10 traits evaluation below features comments and quotes made by stakeholders in Greater Victoria during interviews and roundtables conducted in May and June 2020.

## The 10 Traits of Global Fluency

|  |  |
|--|--|
| 1. Leadership with a Worldview         | 6. Opportunity and Appeal to the World                   |
| 2. Legacy of Global Orientation        | 7. International Connectivity                            |
| 3. Specializations with Global Reach   | 8. Ability to Secure Investment for Strategic Priorities |
| 4. Adaptability to Global Dynamics     | 9. Government as Global Enabler                          |
| 5. Culture of Knowledge and Innovation | 10. Compelling Global Identity                           |

Source: Brookings Institution (2013) Ten Traits of Global Fluency

The Ten Traits model identifies the common journey cities and regions take from (1) Globally Aware to (2) Globally Oriented and (3) Globally Fluent.

**Cities in Stage 1 — Global Awareness** — are preoccupied with the domestic context; they have some internationally traded sectors and certain players read the global market with some level of proficiency, but the city as a whole is not yet able to speak or listen fluently. They do not yet have momentum for a unified effort to embrace global dynamics and enact local change.

**Cities in Stage 2 — Globally Oriented** — have a broader set of local business, government, universities, and non-profits connected to global markets. They adopt a vocabulary and lens of global competition and global contribution, and build metrics and strategies to match. They start to seize more of the opportunities that come their way through intentional behaviour. They understand implicitly the ultimate advantages of continuously seeking to increase global reach, visibility, and influence. **These are the hallmarks of Stage 3 — Global Fluency.**

**We can observe that Greater Victoria currently is starting to shift from Stage 1 to Stage 2 of this journey.**

This initial summary points towards the progress in each trait and potential to take the next step.

# 1. Leadership with a worldview

## ***Local leadership networks with a global outlook have great potential for impact on the global fluency of a metro area.***

There is a high level of latent ambition in the Victoria region, underpinned by high civic trust and goodwill and a commitment to shared prosperity. Current elected city leadership is viewed to be effective, bold and consensus-oriented. There is growing confidence in Greater Victoria's capability and competence, abetted by recent figures that it is one of the fastest recovering regions in the world from COVID-19. Many recognise the chance to stake a leadership role in larger arenas, as Greater Victoria heads towards a population of 500,000.

But the overall impression is that leadership is disjointed and the ambition not fully calibrated. Greater Victoria has been unable to decisively decide what the priority should be. Ocean innovation can be a catalyst around which the region can build.

Initially, Greater Victoria's positioning can be led by the City of Victoria, and many regions have begun their journey with visionary core city leadership and a persistent City voice for the region. Over time however, small regions need conducive metropolitan governance to achieve the scale of reach and investment. Currently metropolitan governance is missing in Greater Victoria. The 13 municipalities that make up the region (plus the Capital Regional District Board) are not co-ordinated, and there is no natural forum or guiding mind for the region. There has been very slow progress with reforms to local government or the possible creation of a directly elected regional council. Inter-municipal competition for resources remains strong. The result is Greater Victoria does not easily mobilise higher levels of government around a common proposition and better ensure key decisions about regional priorities and investments are evaluated through a global lens.

Leadership also comes from outside of Government. The soft leadership roles of Business do not appear to be sufficiently developed. Business is too remote from much of the political leadership. There is not currently enough impetus within the Chamber of Commerce, and the gravitas of the five-year-old metropolitan alliance — the South Island Prosperity Partnership — is still in its early stages. Most stakeholders regard B2B and B2G relationships as too decentralised and informal and ad hoc.

***There is growing confidence in Greater Victoria's capability and competence, abetted by recent figures that it is one of the fastest recovering regions in the world from COVID-19.***

Greater Victoria also needs local and international champions and ambassadors. The region benefits from many ambitious and capable leaders, but few stakeholders can readily name individuals who act as independent voices on behalf of the future of Victoria. The region is home to many people who have come from elsewhere who have an interest in making it better, but few have been harnessed to lead strategically. The next task will be to recruit more business and institutional allies to lead this effort into the next phase.

## 2. Legacy of global orientation

### ***Due to their location, size, and history, certain cities were naturally oriented toward global interaction at an early stage, giving them a first mover advantage***

Modern Victoria was founded 180 years ago as a region of trade, and long-distance links were built in to its DNA and identity. Victoria's early success as an entrepot was a product of its gateway location, its port, its British legal and financial frameworks, and its openness to entrepreneurship. These remain relevant to the region's edge today.

Victoria welcomed diverse newcomers through several cycles of economic boom, bust and change, and its leadership from the start had an eye on global opportunity associated with the region's port and resources. Deep links to the UK and early designation as a seat of government have made Victoria unusually conscious of global values and trends.

***“In a way we've always felt at the edge of things, but now the proximity to Asia, climate change, and the strategic importance of the Pacific changes that. We have to change our behaviours accordingly.”***

Greater Victoria inherits physical assets that remain decisive advantages as the global economy evolves. Its natural deep-water harbour is a key differentiator. It has an outstanding natural geography and a conducive climate, while as an island it also inherits something of a 'safe haven' status.

These natural assets have only just started to be explicitly recognised and taken advantage of. Up until now, most of Greater Victoria's economic health has been something of a happy accident.

Changing geopolitical dynamics also make this a decade of opportunity for Greater Victoria. The Pacific Rim is a global centre of gravity where much of the planetary pivot towards sustainable growth will be won and lost. This is also a decade of Arctic Ocean exploration for which Greater Victoria is a gateway.

The rise of new advanced industries and the Pacific-leaning centre of gravity also provides Greater Victoria with an opportunity to differentiate itself from city regions on Canada's East Coast, as a region committed to sustainable and inclusive growth industries (as opposed to extractive and non-broad based).

# 3. Specialisations with global reach

***Cities often establish their initial global position through a distinct economic specialization, leveraging it as a platform for diversification.***

Greater Victoria has a small but diverse ecosystem that includes AgTech, CleanTech, CivicTech, and a growing Marine Cluster. There is clearly a lot accumulated expertise spurring companies to early success in competitive markets. The presence of institutions such as the Coastguard, the Navy, Ocean Networks Canada, and post-secondary educational institutions, are an important advantage in driving investment.

There has been at least some track record at clustering technology companies in suburban business parks. There is also a fairly small but growing community of VC funded and impact-funded Indigenous businesses, with opportunity to become a leading Indigenous entrepreneur ecosystem in North America.

Global positions are established by leveraging a distinct niche – a cluster, business environment, natural resources or strategic location. However, we have observed the need for a clearer focus in Greater Victoria on the economic specialisations and innovation leadership. There appears a lack of agreement as to the pathways to specialise and what kind of company mix Greater Victoria really should be a great place for. Big firms on north Vancouver Island do not seem to be currently mobilised to play a role in the ecosystem or the prospective.

***“There are constantly new incubators or hubs being set up — we seem to be very good at that — but we’re missing the mentors, the execution, the networks, the business growth skills.”***

What we have seen suggests that the region will not just need a compelling economic development strategy document. It also needs catalysts to drive specialisation, which will include more anchor tenants in the City Centre with an international footprint. Into its second phase it will need to show clear wins to build interest and attention from higher tiers of government and confident ownership of the strategy by business and post-secondary institutions.

## 4. Adaptability to global dynamics

Cities that sustain their market positions are able to adjust to each new cycle of global change.

Greater Victoria has enjoyed a long period of relative economic prosperity and insulation from the volatility and externalities that other cities experience. The economy has been spread throughout cities and suburbs and hinterlands, and much of it is accustomed simply to selling the current product (degrees, holidays, retirement homes). With an exceptional natural environment, few growth constraints, and an improving lifestyle brand, adaptability and intentional adjustment has not been required up until now.

Many commentators have remarked that the problem is that there is no clear ‘burning platform’ for Greater Victoria. There is no ‘clear and present danger’ that presents a compelling reason to act and to make real changes. The geopolitical dynamics in the Pacific also, it is thought, will allow Greater Victoria to attract more diverse talent and participate in the high value Pacific markets.

Greater Victoria has only just begun to diversify from dependence on the Public Sector, the Military and Tourism. The challenge will be to do so more rapidly and effectively. Tourism and higher education in particular may become more vulnerable, especially as customers become more competitive and discerning. Japanese higher education, Korean ocean expertise, Taiwanese health care, and holidays in Greater China and ASEAN are all part of the emerging picture.

***“The response I get from people is always, ‘why should I care? why should we change?’ They take the good life as a given rather than something we all have to actively maintain.”***

Greater Victoria is well placed to adapt successfully to the new post-Covid normal. One feature of the region’s economic structure and geographic location is that upper income Victorians have been remote working for most of their lives. The region can benefit from a shift to smaller agile teams, and a corporate culture shift towards greater employee ownership, and more mission-driven business. But high value sectors and activities will still need high-amenity urban locations for their well-paying jobs.

One of the main risks of failing to adapt is growing frustration among the motivated people who live and work in Greater Victoria but are impacted by higher costs and eroding lifestyles. Sustained success will soon reveal underlying weaknesses and fresh horizons, just as other smaller cities such as Austin have found.

**The burning platform needs to be clearly articulated. Without a change:**

- Greater Victoria will slip into a low amenity, high cost, high commuting model along growth corridors, with few varied combinations of lifestyle choices, and a reduced sense that hard work will produce prosperity.
- Greater Victoria will become vulnerable to different kinds of economic shock. The institutional framework does not easily produce collaborative governance, sustained consensus, or a path for the private sector to provide a leadership role when adaptation of the urban environment is required.
- Greater Victoria will not continue to attract or retain top talent. Without more jobs clustered with high amenity lifestyles in cities, through better use of land to promote mixity and proximity, Greater Victoria's ability to attract working-age residents may come under threat. Dependency ratios will rise.

## 5. Culture of knowledge and innovation

***In an increasingly knowledge-driven world, positive development in the global economy requires high levels of human capital to generate new ideas, methods, products, and technologies.***

Greater Victoria has a strong ethos of entrepreneurship. While part of its progressive outlook includes a large and vocal anti-business and anti-growth perspective, the overall propensity is one of autonomy, self-help and pro-prosperity. The relative seclusion and self-selection of the labour force fosters a community and cooperative mindset.

However from an ecosystem point of view it is apparent that Greater Victoria's commercialisation chain is incomplete - companies and ideas do not find a very active capital market to tap into. Companies that grow to a certain size usually have to move out, due to talent and resource constraints.

Greater Victoria is home to two universities, three colleges and two art schools, that are all collaborative and complementary. They invest in joint marketing. These post-secondary institutions support the production of capable professional and artistic talent as well as Greater Victoria's emerging global strengths in oceans, clean energy, carbon management and climate science. With 20% of international students staying in the region, they also serve a talent retention function. Relative to other city-regions the education system has fairly strong provision for disadvantaged populations.

There is a recognition that these institutions need to take next steps to take advantage of their combined capacity for purposes of advocacy, impact and commercialisation – and that this is more urgent given likely provincial and federal treasury strains in coming years. The track record of commercialisation is not strong, despite the presence of many incubators and accelerators, not helped by a pervasive 'build it and they will come' philosophy. Know how appears to be more of a challenge than mindset.

***“There is a need for greater intentionality and architecture around local relationships. We don't quite get it right, but we don't quite know why.”***

Currently no major university or college campuses are Downtown, despite many propositions. The institutions have not seen the business case adequately made. Over time this will become a major disadvantage to Greater Victoria.

Despite regular predictions to the contrary, not least in this post-Covid scenario, businesses and other large employers will continue to favour Downtowns because of superior visibility to customers, greater access to talent, and opportunities to cluster and collaborate productively. High amenity Downtowns with sizeable residential populations consistently prove to be the places best equipped to meet lifestyle preferences and act as the magnet of tourism, leisure, culture and identity-building. Most peer regions to Greater Victoria internationally have knowledge institutions as major players Downtown, to serve an enlarged market, anchor the new economy, share infrastructure with business, and support inner city communities.

Establishing an Ocean Innovation Hub is a key opportunity to sharpen the region's innovation edge. Leadership of this agenda should include a laser focus to optimise the standards of membership, incentives for collaboration, and improved global linkages to monitor global market conditions.

## 6. Opportunity and appeal to the world

***Metro areas that are appealing, open, and opportunity-rich serve as magnets for attracting people and firms from around the world.***

Greater Victoria has magnetism as a compact region for people seeking a certain kind of relaxed quality of life with superb natural assets, alongside a quality of career opportunity and very strong high schools, private schools and post-secondary institutions.

Greater Victoria stands out in North America in having closely interconnected urban villages around a central core with excellent access to parks, beaches and amenities. The urban skeleton of Greater Victoria is a strong platform to build additional appeal.

However Greater Victoria is not yet perceived as synonymous with entrepreneurial spirit, unique cultural assets and experiences, accepting attitudes, or respect for religious and racial diversity. It also does not appear that new and established Victorians habitually spread information about the city worldwide through their family and business networks.

***“As a region we have great connections overseas but for some reason we are too shy to tell our friends, and our friends of friends, all about what makes Victoria special. Other places I go, I see locals setting up businesses that serve the countries where they have ties, always making the pitch about why this is a great place to work or to settle down.”***

Only some leaders in Greater Victoria currently perceive talent and proficiency of the labour force as a critical gap, but this concern is likely to grow as the innovation imperative becomes more widely grasped. Providing more pulls for younger people to stay will have to be a priority. This is principally a question on the one hand of vibrancy, variety and housing affordability, and on the other hand of larger business HQs, strong business brands and anchors, and the ability to forge nimble teams in a more distributed economy after COVID-19.

# 7. International connectivity

***Global relevance requires global reach that efficiently connects people and goods to international markets through well-designed, modern infrastructure.***

Connectivity will remain critical in the post-Covid economy, to reach the international marketplace and connect people and decision-makers. Local roads, rail, public transportation, as-a-service transport, and bike and walking paths, are also essential as more people seek a version of the '20 minute city'. So is the spatial arrangement of households, businesses, and amenities in relation to that infrastructure, or what economic developers call "spatial efficiency."

We noticed that few stakeholders interviewed had a strong spatial lens of where the economy is, how it should cluster, and the relationship between density and productivity. In globally fluent city regions, there is a more established conversation at play about what different districts and neighbourhoods require in terms of land use, mobility and placemaking to foster innovation, depending on their location and economic composition.

In previous cycles air connectivity has not been perceived as a significant barrier to growth. Victorians have a muscle memory of getting off the island to Vancouver and beyond.

***"If there is one quick win we have to address, it is the border preclearance that makes nonstop flights to the U.S. viable. Halifax has done it. So must we."***

But optimising flight connections and clearances to Seattle, San Francisco and other centres is an important priority if Greater Victoria is to become a place where a daily return business trip is practical and manageable. Greater Victoria ultimately will need improved connectivity to key West Coast hubs as well as other centres such as Denver and Austin.

## 8. Ability to secure investment for strategic priorities

**Attracting investment from a wide variety of domestic and international sources is decisive in enabling metro areas to effectively pursue new growth strategies.**

Protecting and reinvesting in city systems has not been described as a critical gap in Greater Victoria in recent years. Many of those we interviewed did not view public investment deficits as a major barrier, which is in itself an indication that relative to other city-regions there has been a satisfactory level of continuous re-investment. Most are content with standards of education, mobility, health, energy, utilities and leisure infrastructure.

**Infrastructure enablers that have been mentioned include:**

- Improved rail connectivity to suburbs
- Much improved public spaces and international calibre places and amenities
- Bringing post-secondary institutions into the City Centre

***“It’s going to be very important that we get the investment in resilience to charge our economic recovery. We have to get on the front foot in making the case for low carbon investments, climate mitigation, and the kind of infrastructure that can really drive our marine sector.”***

Investment is not just a means to create assets. It is also a tool to grow and change. To attract multiple sources of investment, regions need to align with the needs of both public and private investors through their value-added development strategies, compelling identity and consistent leadership. If more investors outside Greater Victoria can see the region’s long-term path to success, and clear pathways to co-investment, then the region will capture more capital for innovation and infrastructure projects.

## 9. Government as global enabler

***Federal, provincial, and local governments have unique and complementary roles to play in enabling firms and metro areas to “go global.”***

Greater Victoria will need multiple levels of governments to provide co-ordination, visible leadership and on-the ground advocacy on behalf of regional business in foreign markets, and on behalf of the region to federal government. The provincial government in particular sets the tone for how globally engaged Victoria can aspire to be by establishing the level of appetite, transparency and dependability.

***“A global Victoria will have a stronger presence and influence in Ottawa, probably working alongside other cities.”***

There does not appear to be a strong history of partnership between levels of government to support Greater Victoria’s international competitiveness. Higher tiers of government have not historically appreciated the unique specialisations and potential of Greater Victoria, although the ocean opportunity is starting to change this. The provincial government has not wished to be seen as favouritist to its capital city, and has been more focused on remote communities. Continuing to alert the provincial and federal governments to Greater Victoria’s ambitions, and helping federal government to see Greater Victoria’s proposition as a global hub for low-carbon ocean technology, will be a serious task.

**Within the region itself there are clearly constraints around:**

- High levels of local government fragmentation leading to incoherent strategies and initiatives
- Few clear incentives or obligations for local governments to build common cause beyond the basics
- Low innovation in terms of place management, public-private partnerships, demonstration projects and pilots
- Low expectations of what business and civic leadership can contribute to urban and metropolitan governance and overly high reliance on Government and Policy solutions
- Barriers around how land use decision-making takes into account (or not) the full set of economic spillovers and multipliers of development

# 10. Compelling global identity

***Cities must establish an appealing global identity and relevance in international markets not only to sell the city, but also to shape and build the region around a common purpose.***

Greater Victoria's identity within Canada has gradually been taking sharper form. At the same time Canada's brand in the 21 century has been rising relative to United States, while the British Columbia brand within Canada has also become more distinctive.

**Some distinctive assets and advantages of Greater Victoria's identity can already be observed:**

- The deep DNA of Victoria with its role in ancient human migration and settlement, trade instincts, and high quality of contemporary indigenous business and culture.
- Inspirational landscape. The scenery, topography, and climate. Victoria's history and geography touches on deep human themes.
- Composure and Competence. The Victorian mindset and sense of personal and civic autonomy, and unpretentiousness, which drives innovation and excellence. The fact that Vancouver Island is now mainly COVID free is another demonstration that Victoria is lucky, but also smart and well organised.
- Tech with a social conscience, and a broader commitment to global values and fairness.

However Greater Victoria's overall Identity and Story is fundamentally missing. A pattern of eager but disjointed storytelling is apparent.

***“There's a willing choir but not an agreement on the hymn sheet. People want to sing, but don't know the lyrics.”***

**Behind this lie a series of imperatives to:**

- Overcome a Zero Sum mindset between left and right, public and private sector, and between municipalities, by pursuing common agendas.
- Demonstrate when and how jobs and capital have a positive collective effect
- Deploy tools, visuals, demonstrations, and data more effectively

An important part of the identity process is also about re-centring the role of indigenous populations and communities in the story and the future of Greater Victoria. Global identity is also a vehicle for inter-cultural understanding, corporate citizenship and business leadership.

# References

1 Brookings (2013), Ten Traits of Global Fluency



# The Business Of Cities

**The Business of Cities is an urban intelligence firm that works with cities and companies worldwide. It uses advanced benchmarking and comparative analysis to help leaders to respond purposefully to the twin dynamics of urbanisation and globalisation. Over the last 10 years it has supported public and private leadership in cities and regions such as Amsterdam, Auckland, Glasgow, Helsinki, London, Oslo, Philadelphia, San Diego, Sydney and Tel Aviv, and collaborated closely with international organisations such as the OECD, World Bank and Brookings Institution.**

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