

Governance Innovation

Final Report



This report stems from an initiative, launched in fall 2019, aimed at identifying, understanding, and recommending ways for local governments to more effectively respond to change. Our efforts began from the recognition that cities find themselves in the midst of a rapidly shifting world in which there is demand for rethinking innovation through a range of governance mechanisms.

The need to identify ways to benefit from new opportunities, and at the same time protect people and place against negative impacts, is pushing cities to respond comprehensively while also demonstrating an ability to be nimble and flexible. One notable example in Toronto—the withdrawn proposal for the redevelopment of Quayside—challenged the city and its institutions to develop new approaches to governance that reflect and address technological innovation and the new information economy. Furthermore, this chapter in our city's history is also a reminder of the need to build and sustain trust in our governing institutions. We believe that cities need a comprehensive reconceptualization of their approaches to governance so that they can meet the challenges of the 21st century.

Between September and November 2019, we hosted four meetings at the University of Toronto focused on different elements of governance innovation; management, regulation, and outcomes; data governance and the tech sector; the public realm; and transportation. The objective of each session was to convene experts around a key theme for the purpose of creating an enriched discussion focused on cities, governance innovation, and opportunities and challenges for the contemporary city.

We extend our thanks to the more than 50 experts representing academia, government, nonprofits, and the private sector who joined us to share knowledge and insights, and engaged in inspired debate. The report that follows presents the highlights of those conversations and identifies key messages and next steps.

The world has of course shifted dramatically since we began convening these discussions. The global coronavirus pandemic and associated public health crisis, have had an unprecedented impact on cities and people. The spread of COVID-19 has laid bare weaknesses associated with public health crises, while at the same time demonstrating that in times of crisis, governments at all levels need the capability to develop rapid, innovative, and collaborative responses. This includes the ability to experiment and take risks. Though we launch this report during a time of great distress, it is also a time of hope for the future.

Sincerely,

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Executive Summary

We are living in a great urban age. Cities are more economically vital and socially vibrant than ever. This dramatic growth, however, has created crises in infrastructure, housing affordability, and the deterioration of the public realm. Cities are also the key arena for technological innovation over the past decade: many of the fastest-growing companies, like Uber, Lyft, and Airbnb, are fundamentally transforming cities. The challenge for cities is therefore to develop new, more flexible approaches to governance and regulation that address their social and economic deficits, and that keep pace with technological change. That is why the University of Toronto's School of Cities, Schwartz Reisman Institute for Technology and Society, and Munk School of Global Affairs & Public Policy convened a series of roundtables to discuss management, regulation, and outcomes of urban governance; data governance and the technology sector; the public realm; and urban transportation. The participants in the vibrant discussions at each roundtable included leaders from across Toronto's public, private, non-profit, and academic spheres.

Through all of the roundtables, participants consistently emphasized four key messages:

- Organizations responsible for governing need to place deeper emphasis on creating a culture of openness to experimentation and risk-taking
- 2. Governments need to employ more effective ways of tracking and evaluating performance and outcomes
- 3. Prioritizing and privileging equity considerations will require intentional strategies
- 4. It is possible and necessary to collaborate with a range of public, private, and community partners, while at the same time guarding against increasing the capacity of corporations or activists to override, dictate, or pre-empt democratic processes

It is a challenge for municipal regulation to keep pace with urban change. Participants discussed several ways to make regulation more responsive to needs, including the delegation of regulation to arms-length agencies, the temporary or geographically limited suspension of regulations, and even the use of regulatory markets that mandate businesses and non-profit groups to regulate according to municipal goals.

Data and technology roundtable participants concluded that there is a need to fundamentally rethink the core concepts that currently underlie discussions about data governance. The concepts of privacy, ownership, and consent are poorly suited to thinking through the challenges of how to use data. Many participants agreed that meaningful consent is not possible, and that we should focus less on what data is collected and more on how it is used.

The public space roundtable participants generally embraced new approaches to financing and maintaining public space, including philanthropic contributions and the creation of conservancies to stretch limited resources. Participants were adamant, however, that these partnerships not be excessively concentrated in the comparatively affluent downtown core.

Transportation is a critical issue for cities. Like Toronto, many are living off an infrastructure legacy from decades ago. Participants recognized the need for greater regional coordination and most accepted building capacity through partnership with the private sector, but many argued that a single regional transit authority was impractical and that private participation brings considerable risks.

The urban world is facing an era of great change. Cities must regulate more flexibly and nimbly to adapt to their new environment. They must find partners that can help them deliver and finance much needed new social and physical infrastructure. And they must achieve all these goals while turning back the tide of inequality and social exclusion that is the fundamental challenge facing cities today. Building on the work of these roundtables, we recommend pursuing the following avenues:

- Invest in research and solution-exploration that moves beyond the concepts of privacy, consent, and ownership for data governance
- 2. Develop capacity to design, prototype, and evaluate innovative approaches to governance such as delegated or suspended regulation and regulatory markets
- Explore innovative approaches to ensure development projects are better aligned with goals for equity and inclusion
- 4. Ensure place-based solutions address local and global needs

Since our roundtables, COVID-19 has become a part of our daily existence, and there is no sign of a return to normal any time soon. The virus continues to have profound impact on economic and civic life in the Toronto city-region. Already, we are seeing the early signs of possible changes in each of the four areas under discussion. The silver lining of the current crisis may be that the range of acceptable policy choices is wide open.

In the area of management and regulations, our roundtables explored "suspended regulations." While the roundtable did see some risks in suspending regulations, COVID-19 has led to a reconsideration of many existing regulations from parking to freedom of movement. Our societal priorities are being upended by a singular focus on public health, and it is up to all levels of government to balance issues of public health, civil liberties, and democratically achieved mandates.

Participants in the "Data Governance and the Tech Sector" roundtable found that the concepts of privacy, ownership, and consent are poorly suited and lead to a focus on data collection rather than data use. There is little doubt that this is now happening: information about manufacturing production capacity, movement of the public, and hospital supplies is being pooled and released for the purpose of battling the virus and protecting the public.

None of our topics has been more affected by COVID-19 than "Public Space." During this crisis, parks, green space, bike lanes, and sidewalks have increased in value in two ways. First, to maintain safe social distancing, people require more space. The City of Toronto has made an effort to satiate the public demand for increased recreational space with the closure of some public roads, including Lakeshore Blvd., on the weekends so that the space can be used by pedestrians and cyclists. Second, while people are "sheltered in place," the desire to spend time outdoors has increased. In the future, the rules for and approach to public space may change dramatically depending on whether this elevated value is permanent.

Finally, the fourth roundtable dealt with transportation. With the dramatic decrease in movement across the Greater Toronto Area (GTA), a number of questions arise. How can public transit survive dramatic revenue reduction as a result of declining ridership? How much of that drop is permanent? Will a desire for social distancing increase demand for bike lanes and car commuting? COVID-19 is likely to have a lasting impact on our approach to mobility.

There is an emerging tension in Toronto, and around the world, between three competing interests. First, there is a public interest in protecting the privacy of individuals' health information. Second, there is a growing public interest in accessing individualized data about individuals' health and movement, in the name of protecting public health. Finally, these two perspectives are playing out against a backdrop of emerging technology that could be useful in capturing and analyzing data that could be useful in predicting the future of COVID-19. How society resolves this tension, particularly as it relates to tracing, will have an impact on the speed of our economic recovery and, perhaps, the size of a second wave of the virus.

The story of COVID-19 and its impact on public policy is still being written. However, the early returns show that our city is demonstrating a strong social fabric and an adventurous, responsive, and responsible policy environment that will serve us well no matter what the future holds.

Governance Innovation

Toronto has become a top-tier global city and is one of the fastest growing cities in North America. Like many cities, its dramatic growth has brought crises in infrastructure, housing affordability, and the deterioration of the public realm. At a time of technological upheaval, especially in the urban sphere, major cities must cope with the transformative impact of digital technologies on the economy and on society. The challenge for cities is therefore to develop new approaches to governance that reflect and address the new information economy. These new approaches must balance the need to maintain flexible regulations to facilitate entrepreneurship, while simultaneously addressing the externalities of new technologies and development. Furthermore, major cities must revitalize their public realm and physical infrastructure to maintain them at the standard expected of a global city. Major cities need a comprehensive reconceptualization of their approaches to governance so that they can meet the challenges of the 21st century. That is why the University of Toronto's School of Cities, Schwartz Reisman Institute for Technology and Society, and the Munk School of Global Affairs & Public Policy convened a series of roundtables to discuss these critically important issues for the future of this city and of major cities around the world. The participants at each roundtable represented a unique group of leaders from across Toronto's public, private, non-profit, and academic spheres who shared their expertise and debated these important issues.

Each roundtable addressed one of the following topics:

- Management, Regulation, Outcomes
- Data Governance and the Tech Sector
- Public Realm
- Transportation

At each of the four roundtable discussions, a similar set of themes was consistently raised. In all areas, there was an appetite for increased risk-taking and innovation to address governance challenges, stemming from a recognition that existing approaches, in many cases, are not working well. One widely-shared sentiment was the idea that the biggest risk we face is not taking enough risk in developing new solutions. But risk-taking needs to be done with attentiveness to the challenges that novel systems and development can pose to equity, and to an increasing imbalance between the power of both the state and large corporations vis-à-vis city residents.

Below we provide an overview of key messages from each roundtable; we then suggest promising initiatives that can be pursued as a follow-up to what we learned.

Management, Regulation, Outcomes

In cities like Toronto, the pace and ambition of innovation in property development and redevelopment is a challenge for conventional approaches to regulation. Regulations can be highly prescriptive and designed for a different era, agencies can be fragmented, and approvals can be slow. As a result, valuable projects may be slowed, derailed, or abandoned entirely. In this roundtable, we discussed three strategies for improving regulation to facilitate innovation and economic development.

When accumulated rules and regulations are blocking prospective development and growth, one option that cities like Toronto have experimented with is suspended regulation. This approach in downtown Toronto's "two Kings" districts fostered conversion of underutilized industrial buildings into attractive brick-and-beam office space, entertainment venues, and new housing. It revitalized these areas, which had become largely vacant as their industrial-only zoning failed to recognize their increasing unsuitability to industrial use. Suspending regulation in a targeted area or for a targeted purpose makes sense when it is clear that the benefits of regulation are vastly outweighed by the costs they impose and does not require wholesale revision of regulations and procedures across multiple domains. Suspending regulation offers an approach that allows experimentation and proof-of-concept, potentially revealing opportunities for wider benefits or more generous relaxation of rules that have outlived their purpose or are swimming against the tide of change. But there are risks. Without a clear purpose or sufficient oversight, suspending regulation may simply mean getting swept up in developmental drift that is not headed towards better city living. Suspended regulation should not signal government withdrawal from the regulatory field. Nor should it mean simply handing

control over development and the direction of change to private corporations, developers or market forces with a lack of transparency and the risk of corruption. As one participant emphasized, you need to "solve and measure for everybody" to avoid reinforcing pressures that introduce or exacerbate inequality. Several participants emphasized that the best approach to suspended regulation is to implement it in a limited geographical space and/or for a limited time period, which can serve as a regulatory "sandbox." If successful, the new approach to regulation can be made permanent and extended to other parts of the city.

Another strategy for dealing with regulations that are poorly adapted to specific locations or uses is to *delegate* regulatory authority to a special-purpose entity that is focused exclusively on developing effective and appropriate regulation for that dedicated purpose. Amsterdam, for example, created the office of the Night Mayor to develop appropriate rules to deal with uniquely nighttime issues arising from Amsterdam's famed nightlife, such as clubs all being forced to close at the same time, with crowds spilling out onto the streets all at once in the wee hours. In a similar manner, Waterfront Toronto was created by the federal, provincial, and municipal governments as a special agency with responsibility for planning and administering 2000 acres of land spanning downtown Toronto's waterfront. Again, the strategy is to facilitate faster, better adapted plans that achieve a stronger balance across competing goals in targeted domains, without wholesale revision of regulatory methods or powers across domains. Specialpurpose entities can be particularly effective at coordinating action between levels of government. Delegating regulatory authority to a special-purpose entity, however, raises an accountability challenge. There was debate between participants about how to strike a balance between the

rapid delivery of important projects of citywide significance and the need to involve and respect the wishes of the local community. The governance structure of the delegated entity, and the ability of the community to participate in the decision-making processes of the entity, are critical elements that must be considered from the outset.

The roundtable participants also discussed a novel proposal for a new regulatory structure to address the challenge of existing rules and regulations that are increasingly costly, slow, and poorly adapted to modern technologies and cities. A regulatory market is a hybrid approach to regulation that pairs the benefits of market processes—attracting investment and ingenuity to the problem of how to regulate—with a secure role for democratic government in setting the goals and outcomes that regulation should achieve. Applying this regulatory approach to ride-hailing services under city jurisdiction, for example, would see city government setting the desired outcomes: passenger safety from crime or fraud or personal attack, responsible and lawful driving practices, fair and transparent compensation schemes for drivers, etc. These outcomes could be set as a combination of metrics and principles. Private entities—which could be community groups, non-profits, or for-profit companies (akin to private companies now providing third-party certification services²)—would develop regulatory schemes to achieve these outcomes. One private regulator might, for example, use conventional regulatory tools, specifying rules for driver training, payment systems and so on and then monitoring

to achieve government objectives at lower cost to regulated entities. Auditing of regulators by government would be necessary on an ongoing basis to ensure that regulators are meeting government goals.³ Regulatory markets are a novel approach. In our discussions, the benefits of the capacity for more streamlined and responsive regulation, with the potential for multi-jurisdictional coverage, were recognized. But novelty also raised equity concerns: implementing this approach would require careful design and evaluation and a "sandbox" approach to learn what works and what doesn't.

3 This approach is comparable to a regime recently adopted by the federal government for oversight of the quality of medical devices. A consortium consisting of Canada, the U.S., parity, France and Japan, authorizes pri-

for violation of the rules. Another might invest in machine

learning tools that detect risky driving behaviours or the

markers of deceptive driver payment procedures. A third

might implement technologies that directly limit car speed or

automate driver payment in transparent fashion. Whichever

methods they chose, however, private regulators would be required to demonstrate that their system does, in fact,

achieve the outcomes the government has set in order to

then be required to purchase regulatory services from

key design requirement—competition between private

become a licensed regulator. Ride-hailing companies would

one of these licensed regulators. As long as the market for regulatory services can be made reasonably competitive—a

regulators should result in regulatory innovation: finding ways

¹ The concept was introduced in Gillian K. Hadfield Rules for a Flat World: Why Humans Invented Law and How to Reinvent It for a Complex Global Economy (OUP 2017) and developed further in Jack Clark and Gillian K. Hadfield "Regulatory Markets for AI Safety" arxiv:2001.00078v1 (2019).

² For example, organic food standards are often certified by private certification providers, paid for by food suppliers seeking to obtain organic certification

This approach is comparable to a regime recently adopted by the federal government for oversight of the quality of medical devices. A consortium consisting of Canada, the U.S., Brazil, France and Japan, authorizes private (for-profit and not-for-profit) certification companies to audit device manufacturers for compliance with each individual country's standards. (Canada has adopted an ISO standard—that is, a standard generated by a private non-profit organization; the U.S. has its own FDA standards.) Device manufacturers that are audited by an authorized certification company once are able to offer their products in all 5 countries. The consortium takes on the role of auditing the auditors, who seek to maintain their authorization status in order to continue to compete in the market.

Data Governance and the Tech Sector

Having addressed innovative regulatory tools in the abstract in our first roundtable, our subsequent roundtables shifted to specific domains of regulation. We started with data governance and the tech sector, a topic that has gained increasing visibility and urgency with, for example, the now-withdrawn proposal by Sidewalk Labs for the redevelopment of Quayside, in Toronto. Other looming challenges include the management of health and financial data, given the tremendous opportunities for new research presented by the modern machine learning techniques being pioneered at organizations like Toronto's Vector Institute for Artificial Intelligence. Outdated privacy legislation and regulatory schemes threaten to preclude those opportunities and new solutions are desperately needed.

The discussion began with the topic of data ownership. We quickly discovered that the concept of "ownership" is a contested one and is not clearly well-suited as a tool for managing access to, and use of, the oceans of information now captured digitally. This includes data from smartphones, cameras in public (and some private) spaces, and urban infrastructure. It also includes dedicated information collection systems such as those deployed in hospitals, banks, governments, and workplaces. In one of the most striking results captured in our sessions, 70 per cent of our participants—a cross-section of some of the most highly informed people working with data issues in Toronto today said that the statement that best captured their current thinking about data ownership was: "We need to rethink our approach to data ownership from fundamentals." And two-thirds rejected proposals for either public or private

ownership regimes, saying we need "something else" to work with. Many participants argued that conventional concepts of ownership are inappropriate in the realm of electronic data. Does a person own the record of their birth date? No. However, they have an interest in how it is used, which makes it a much more complex sphere for regulation. We similarly found that the concept of privacy, despite being the subject of nearly constant public discussion in the context of modern technologies and data collection, generated widely divergent concerns. Although only one participant asserted that we are on a slippery slope to a surveillance society, the largest group felt there was a need for meaningful opportunities for consent. Others felt that social norms were changing and privacy is not as important an issue as it is often made out to be. Still others saw privacy through the lens not of individual interest but rather the implications for the accumulation of greater power within governments and large corporations or for the stability and cohesiveness of society. There was also wide divergence in the perceived effectiveness of different strategies for data governance. As a group, regulation by government was ranked most effective, but corporate incentive to maintain consumer trust was a close second. Relying on contractual consent came third, although the little boxes we all click online daily hardly reflects anything close to "meaningful consent." People do not read the multi-page consent documents, and even if they do, the language is far too complex to understand without a legal background in the field. Few thought that politics government's incentive to use data carefully to maintain electoral support—was effective.

⁴ The other options included "our existing regimes establishing owner-ship/rights to data work well," "our existing regimes need some tweaking to adapt to new problems," and "data should be publicly owned." Only 1 person chose one of these ("existing works well").

The concept of a data trust was the third topic we explored. When participants were polled on what they felt was the most effective approach in addressing concerns about data privacy, data trusts tied for third place with contractual consent, behind regulation and corporate incentives to maintain trust. Data trusts are a 'hot' topic in data governance discussions—especially in Toronto, where one was proposed by Sidewalk Labs as a solution to the concern that Alphabet would gain ownership of data generated by public urban infrastructure in Quayside. However, there is little concrete understanding, or even agreement on, what, exactly, a data trust is. Indeed, the view was shared and met with nodding heads among participants—that nobody seems to even have a good idea of what problem a data trust is supposed to be solving. When participants were asked to share their idea of what issues a data trust can address, we got answers that were highly abstract: "innovation," "transparency," "access," "inequality." Is a data trust a mechanism for making data public and shared? If so, one participant reminded us that there are a variety of data sets already made publicly available, often by governments, but few of them are used. Is a data trust a mechanism for deciding to what uses data can be put? If so, what is the governance structure that achieves that? Our existing public repositories for data (such as ICES for Ontario health data) are struggling to adapt from conventional data analysis (with structured gueries and hypothesis testing) to the new forms of data analysis that machine learning (with unstructured data exploration to discover patterns) makes possible. What is new about a data trust and why will it do any better?

When we polled participants about the best ideas and key risks identified by the discussion, we saw striking and widespread support for the idea that we need to fundamentally rethink the core concepts that currently underlie discussions about data governance. The concepts of privacy, ownership, and consent are poorly suited to thinking through the challenges of how to use data. Many participants agreed that consent is not possible, that we should focus less on data collection and more on data use, and that we need to fundamentally rethink ownership ideas. The greatest risks were sticking with outmoded models and ways of thinking and building structures like data trusts when we don't know what problem we are trying to solve. And there was a fundamental recognition that the core of many data governance issues is the problem of trust—in governments and in corporations alike—and that poorly designed regulatory strategies could actually erode or undermine trust, or crowd out organic trust in trustworthy organizations.

Public Space

With the revitalization of urban living and increasing density has come the challenge of meeting public demand for new and expanded public spaces. As one participant argued, continuing the remarkable experiment in heterogeneity that is the modern city necessitates more and better places for people to be and act together in public space. Many governments have found themselves unable to keep up. In this third roundtable we discussed three topics: public-private partnerships to revitalize public parks and infrastructure, adaptive reuse of the transportation and building infrastructure of a prior era, and large-scale sustainability projects aiming to respond to changing climate and increased risks of flooding and major weather events.

This round table found many participants eager to explore new approaches to financing public space, including partnerships with conservancies and philanthropic contributions, but all agreed that these approaches must not come at the expense of equity. When asked about their preferred regime for funding and governing public space in the city, half answered "something else" from a list of defined options. When this was explored in the discussion, many argued that no single approach is a silver bullet. Philanthropic contributions have produced tremendously successful public spaces in many cities, and Toronto is a city with some of the wealthiest individuals in the world—there is considerable opportunity for their participation in the improvement of the public realm. Still, the traditional public model of funding through taxation is, fundamentally, the most equitable. Toronto has extraordinary assets in terms of parkland across the city, but too much of it is poorly accessible, undervalued, and underused. Several participants noted that there remains ample room for generating additional tax revenue to improve the city's public realm. There was significant anxiety expressed that philanthropists would only be attracted to new projects, rather than the essential maintenance of existing public space assets. They would seek the highest-profile

locations in the city centre, rather than supporting lowerincome suburban parts of the city, where improved public space and recreational facilities may be far more desperately needed. Promoting equitable access to public space across the city is why a strong municipal role remains essential. Partnerships and conservancies open up new opportunities for creating and managing public spaces in ways that simply could not be achievable by the municipal government alone. They facilitate the coordination of different functions, and bring together expertise that might otherwise be in silos. Still, they face the same limitations as other philanthropic efforts: there is always greater appeal to developing new projects, so established places may become neglected, and there is a need to ensure that the benefits from conservancies are not only concentrated in the highly visible and affluent neighbourhoods of the city core. Conservancies do not always need to be large, highly funded organizations—they can be rooted in local neighbourhoods and community groups.

Adaptive reuse projects—such as efforts to convert abandoned rail lines and factories to new cultural, entertainment, and commercial uses—were praised for their revolutionary potential and creative possibilities, but they were also criticized for being banal, faddish, underfunded, and, most importantly, unequally available across income groups in the city. Similarly, participants expressed concern that large-scale sustainability projects must not predominantly benefit private landowners; they must be designed in ways that benefit the broader public.

Throughout the discussion, participants emphasized that public oversight of development remains essential for equitable outcomes. The path forward may require fundamentally rethought approaches to governance to ensure that these projects are well-conceived and executed, and responsive to concerns about equity.

Transportation

The combined effect of rapidly increasing density in urban areas and concerns around climate change has generated tremendous challenges in the transportation sector. Governance structures play a major role in shaping the response to the twin pressures of getting people out of cars and into sustainable, alternative modes of transportation while still meeting user needs for convenience, flexibility, affordability, and safety. In our fourth roundtable we considered three topics in light of governance challenges.

Crossing boundaries: Today's public transit systems are fragmented along municipal boundaries that no longer make sense in highly developed and interconnected metropolitan regions. For public transit users, crossing boundaries can result in disruptions in service, with the need to change vehicles as well as double fares; in some cases, there is no convenient interconnection between systems. Improving coordination between multiple transit systems was seen as necessary to address inequities in fares, services and access. But achieving such coordination is a challenge. While many participants suggested that unifying transit with a single regional agency under the aegis of the provincial government was the best approach, others were highly skeptical that the province, especially given its recent antagonistic approaches to governance in Toronto, would be a reliable administrator of local transit. One alternative that was discussed was the implementation of bilateral agreements between local agencies to share fare revenue on cross-boundary trips so that riders would pay a discounted rate from the current double fare.

New mobility: New technologies, notably smartphone-based platforms and GPS systems, are generating a proliferation of new forms of transportation: ride-hailing services, electric scooters, bike share systems, and so on. Asked to identify the key benefits of such systems, participants easily identified convenience. Asked to identify the risks of such systems, participants also resoundingly cited the impact on congestion and traffic safety. Several participants were dubious of the sustainability of the entire business model of many of the leading new mobility companies. Uber and Lyft, for example, have consistently faced enormous losses that have been underwritten by venture capital. It will not necessarily

be possible to raise costs on users who have become accustomed to very low prices for such services. Companies are hoping for fully autonomous vehicle operation to dramatically reduce operating costs, but the technologies and regulatory changes required for fully autonomous operation are far from ready. Ride-hailing, even if autonomous vehicles were to achieve widespread adoption, would still face the same problems of congestion on a road infrastructure that is effectively impossible to expand. Many participants were quite skeptical about the potential benefits from new mobility technologies. They felt that they are discussed far too much, crowding out discussion of other urgent issues. Too often, the availability of new technologies leads a search for problems to be solved. Instead, we should identify mobility problems and then find approaches to solve them, including new technologies where appropriate.

Public-private partnerships: Governments, too, are skeptical that fully private-sector solutions like new mobility systems can meet our public goals for transportation. Still, funding challenges and a lack of institutional capacity for infrastructure development have led governments to explore new ways to partner with the private sector to improve urban transportation. There was enthusiasm among many participants for the innovative potential of these partnerships, such as contributions from developers to build transit stations that will benefit their developments. Several participants argued that governments in Ontario are too prescriptive about what they want from the private partner, which limits the opportunity for innovation. They suggested that governments should provide a broad statement of what type of service or infrastructure they need, and the private bidders would be able to develop their own solutions to the problem.

Indeed, at the end of this roundtable, the top risk identified by participants was not taking enough risk. Participants predominantly supported the need to make space for innovation, experimentation, and new means of improving the user experience. Collaboration between governments to address boundary-crossing issues, as well as collaboration between government and private sector actors, is difficult but essential.

Where do we go from here?

Key Messages

At the core of each session, was the notion that governments need to lead change while continuing to remain accountable.

With this in mind, four key messages arise:

 Organizations responsible for governing need to place deeper emphasis on creating a culture of openness to experimentation and risk-taking

New technology enables ever-faster evolution of the way we live in cities, but institutional processes are all-too-often stuck in the analog era. Regulating new technologies and developing urgently needed infrastructure require swift and nimble action. They also require openness to new approaches, and to the adaptation of approaches that have proven successful elsewhere. Excessive caution can prevent failure, but without accepting the risk of failure, it is impossible to achieve the ambitious goals that are needed to protect and to improve the lives of citizens.

2. Governments need to employ more effective ways of tracking and evaluating performance and outcomes

Cities are the key arena for new technological innovation, entailing both important benefits and serious consequences. The ballooning cost of infrastructure construction is making it increasingly challenging for governments to meet the needs of growing communities. And increasingly unequal societies require interventions to ensure that benefits accrue to all, and not just a few. These challenges all require new solutions, but not all innovative approaches will be effective. Governments cannot simply implement a policy and move on—they must track its effects, and evaluate whether it has met its goals. Without that essential follow-up, policy can all-too-often end up being ineffective or even working against its purported objectives.

 Prioritizing and privileging equity considerations will require intentional strategies

There is an unprecedented flood of investment surging into leading cities, which creates tremendous opportunities but also brings serious equity concerns. Private organizations and companies are eager to create new means of mobility or to improve the public realm, but they are too often chasing the same affluent, central communities and marginalizing the rest of the city's population. Only government can ensure that investment is distributed equitably, so that that we are not left with a showpiece downtown, and crumbling social and physical infrastructure elsewhere.

4. It is possible and necessary to collaborate with a range of public, private, and community partners, while at the same time guarding against increasing the capacity of corporations or activists to override, dictate, or pre-empt democratic processes

Governments can't do everything on their own. Whether it is delivering new transportation infrastructure and services, improvements to the public realm, solutions to the housing crisis, or even better regulation to protect residents, governments will need to partner with other organizations to meet their goals. There is tremendous expertise in the private and non-profit sectors that can provide invaluable capacity, but they must not solely occupy the driver's seat. Governments are the only actors that are able to provide democratic accountability, and that take the needs of all residents into account. They must not abdicate their responsibility to lead, even as they welcome partners to help them fulfill their mandates.

Next Steps

The challenge we face is determining how to move beyond conventional and long-practiced approaches. As a next step, we suggest those interested in the process of revitalizing our cities and our commitments in the face of technological disruption, climate change, and urban growth explore the following:

 Invest in research and solution-exploration that moves beyond the concepts of privacy, consent, and ownership for data governance

It is hard to imagine life without the array of technologies that have appeared in our hands and in our homes following the information revolution of the past decades. These technologies that network the whole world together, however, inevitably come at some cost to individual privacy. It is clear that the box-ticking approach to consent is no longer meaningful. Serious thought, research, and debate will be needed for the development of a path forward to ensure that there is balance between the availability of innovative new products and services and the individual's right to keep elements of their life private.

 Develop capacity to design, prototype, and evaluate innovative approaches to governance such as delegated or suspended regulation and regulatory markets

Cities provide ideal environments to experiment with new approaches to governance and regulation. Partnerships between government, academia, non-governmental organizations, and the private sector can help to define and clarify these new approaches. By restricting their implementation to a defined temporal or geographical space, they can create a governance and regulatory "sandbox" that can enable experimentation while minimizing risk.

 Explore innovative approaches to ensure development projects are better aligned with goals for equity and inclusion

Cities are becoming ever-more-unequal places, and too many residents are not securing the benefits of new development and of evolving technology. Private-sector actors cannot pursue equity and inclusion considerations as primary goals. Research is needed to explore means by which governments can guide development in ways that are more equitable and universally beneficial, without imposing a heavy hand that precludes innovation.

 Ensure place-based solutions address local and global needs

It is impossible to separate the global and the local anymore. Cities exist in a global space, whether it is socially, economically, or environmentally. Torontonians come from all over the world, and they maintain strong social networks that tie the city with places thousands of kilometres distant. An economic shift halfway around the world will be felt as immediately in Toronto as one in our backyard. And the causes of and threats from climate change know no boundaries. Any new approaches to governance cannot treat cities as isolated islands—they must view them in their global context. ■

Acknowledgements

Graphic Design: Mark Bennett Rapporteur: Jonathan English

School of Cities: Lara Muldoon

Schwartz Reisman Institute for Technology and Society: Jamison Steeve

