

Neil Bradford, Huron University College and **Michelle Baldwin**, Pillar Nonprofit Network



INTRODUCTION

This discussion paper explores new forms of leadership in cities across Ontario. Known as the "new civic leadership," this approach involves several key features that distinguish it from more traditional models of municipal or urban leadership, which are housed in one sector, focused on a single goal, and hierarchical in decision-making. In contrast, the new civic leadership emphasizes longer-term holistic community visions, multi-sectoral collaboration, and civic engagement. Urban and community change is reframed as an iterative process of learning-by-doing through experimentation, reflection and innovation.

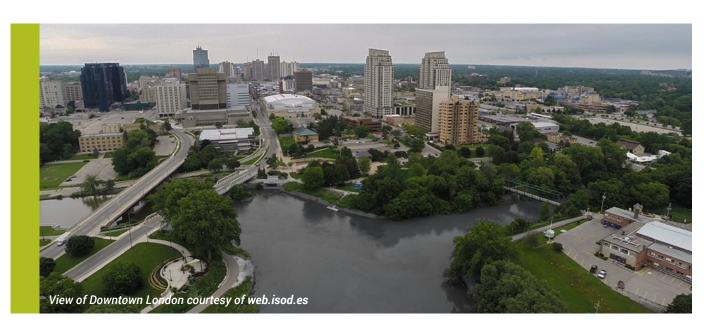
The new civic leadership may be needed most in [mid-sized cities], given the host of challenges these cities confront as well as their relative lack of public policy profile.

Our specific interest is with new civic leadership in mid-sized cities. While much of the research and commentary on this topic continues to emphasize the largest, global cities, we make the case for paying closer attention to evolving patterns of community leadership in mid-sized cities. Indeed, we argue that the new civic leadership may be needed most in such places, given the host of challenges these cities confront as well as their relative lack of public policy profile.

We begin by conceptually situating the new civic leadership in the body of research known as the "New Localism." We then introduce London Ontario's Pillar Nonprofit Network as a dynamic illustration of how new civic leadership produces positive change in the mid-sized city.

THE NEW LOCALISM AND CIVIC LEADERSHIP

In their path breaking book *The New Localism*, Bruce Katz and Jeremy Nowak argue convincingly that urban communities constitute "the twenty-first century's means of solving the problems characteristic of modern life: global economic competition, poverty, the challenges of social diversity, and the imperatives



Municipalities and their community partners can forge ecosystems to co-design policies, co-govern the economy, and co-create innovations.

of environmental sustainability" (Katz and Nowak, 2018). The shift in the scale of problem-solving from the nation-state to the locality is driven by the changing nature of many contemporary public challenges. Problems once seen as technical and bounded and, therefore, amendable to standardized interventions from upper level governments are now understood to be highly localized in their expression and complex in their causality. Progress depends on the mobilization of local knowledge and community-based networks. While the regulatory and redistributive roles of federal or provincial governments remain important, the New Localism shows that it "is essential to adopt a process of local social discovery and community engagement" (Hambleton, 2015).

From this perspective, cities emerge as *strategic* spaces in a global age where the most imaginative and influential problem-solvers congregate and learn

from one another (Katz and Nowak, 2018). Far from being passive administrative agents implementing upper level government programs, municipalities and their community partners can forge *ecosystems* to co-design policies, co-govern the economy, and co-create innovations. In the global age, cities are situated at the intersection of multiple flows of ideas, people, and capital. Deploying their "network intelligence," cities can design transformational projects that no government agency, economic sector, or social organization could deliver on its own.

However, to seize the opportunities presented by the New Localism, cities need to "up their civic game." As Katz and Nowak conclude, "municipalities must grow new sets of leaders and invent new intermediaries and institutions that align with this disruptive era and its heightened importance" (Katz and Nowak, 2018).

The new civic leadership challenge is threefold.

- There is a need for *change catalysts* who help move cities through uncertain times, identifying both the limits of existing institutions and attitudes as well as envisioning and communicating a more inclusive, productive, and sustainable future.
- There is a need for *civic entrepreneurs* who bring the risk-taking approach of business startups or venture capitalists to challenges in the public sphere, leveraging the reinforcing impact of seemingly disparate investments in the city while learning from failure.
- Institutional intermediaries are needed to work the "shared spaces" between government, business, and community sectors, enabling the exchange of ideas and resources "among people who rarely interact and entities that often have vastly different missions and organizational cultures" (Katz and Nowak, 2018). Such intermediaries are deft convening organizations; by supplying the common platforms for experimentation and innovation, their impact on the city's development can be significant.

Importantly, much New Localism research identifies the non-profit sector as uniquely equipped to blend the different elements of the new civic leadership. Embedded in their local community and attuned to its specific assets and capacities, non-profits, by necessity, are boundary spanners and bridge builders. They tackle the city's most intractable problems of social exclusion and rely on collaboration in executing complex initiatives, making strategic choices about where to allocate their scare resources, when to partner with others, and how to measure collective impact. They nurture an organizational culture of informed risk-taking that aligns internal missions and accountabilities with those of external partners to accomplish important tasks. Non-profit organizations instinctively operate with a "network mindset." As Beth Tener puts it, they "lead with questions not answers . . . trusting that the diverse perspectives of the system can together come to a better solution than any one part could alone" (Tener, 2013).

Non-profit organizations and their volunteers are also adept at channelling government resources—grants, programs, internships, and the like—to local priorities as defined by residents themselves. Responsive to their community and disposed to co-produce solutions with a host of stakeholders (i.e., governments, businesses, educators, and citizens), non-profits can articulate a compelling vision to guide an array of projects and experiments. Such leadership, blending bold vision with discrete deliverables, is aptly termed "strategic incrementalism." Urban regeneration experts Alan Mallach and Lavea Brachman report that this step-by-step approach is especially suited to the inevitably scarce resources and often latent assets of the mid-sized city. As they explain, civic leaders in mid-

Civic leaders in mid-sized cities "should not look to large-scale projects as the drivers of regeneration, but should foster multiple, incremental activities to create a positive climate in which change can flourish ... redevelopment opportunities should be seen as steps toward the vision—and integrated with it— rather than as silver bullets to take the place of incremental steps"

sized cities "should not look to large-scale projects as the drivers of regeneration, but should foster multiple, incremental activities to create a positive climate in which change can flourish ... redevelopment opportunities should be seen as steps toward the vision—and integrated with it— rather than as silver bullets to take the place of incremental steps" (Mallach and Brachman, 2013).

In sum, the growing body of New Localism research puts cities on the cutting edge of innovation and sees the non-profit sector as well-positioned for civic leadership. Moreover, the New Localism is resolutely place-based. While most research still focuses on the largest, global cities, there is good reason to believe that the teachings of the new civic leadership apply with equal or even greater force in the mid-sized city (Bradford, 2014).

Three factors are salient:

- The complexity of the challenges faced by mid-sized cities, such as managing industrial transformation from traditional manufacturing structures to the knowledge economy, adjusting to a rapidly evolving ethno-racial citizenry, and shifting urban growth dynamics from a sprawl to a more compact, sustainable form, are all beyond the reach of any single actor and, therefore, demand joint approaches.
- 2. Mid-sized cities tend to exist under the public policy radar. Federal and provincial governments typically focus their attention (and resources) elsewhere—i.e., on the so-called superstar cities that attract global interest. Local civic leaders are pivotal in filling the policy vacuum through place-based insights and collective action.

3. Mid-sized cities may be the *optimal size and scale* to achieve the productive collaboration that is the watchword in today's knowledge economy and diverse society. With multiple opportunities for social interaction and civic engagement, mid-sized cities can build trust and embrace a common narrative about the city's destiny.

For these reasons, analysis of civic leadership in mid-sized cities is timely. Rather than relying on likely outdated images of risk adverse and insular communities, mid-sized city research may reveal more networked, adaptive leadership. The New Localism framework clearly explains why such new civic leadership is relevant today. Still mostly unanswered are the follow-up questions about whether and how the leadership challenges are addressed in the mid-sized city. To begin to fill the gap, we explore the nearly two decades of leadership activity carried out by the Pillar Nonprofit Network in London.



Pillar Voluntary Sector Network was created in July 2001—International Year of the Volunteer—after a community summit identified the need for an organization to build partnerships and enhance the credibility, capacity, and accountability of the non-profit sector in London. Inspired by the Calgary Chamber of Voluntary Organizations, Pillar began with a community vision of the three core sectors or pillars (government, business, and non-profit) joining together to solve complex problems, and with an organizational mission to bridge the silos that often prevented such cross-class collaboration.

Office space was secured in the London Public Library, and in 2003 Pillar was incorporated as a non-profit organization, receiving official Canadian charitable status in 2004. With support from the Ontario Trillium Foundation beginning in 2001, a website matching volunteers with organizations was created. The organization was governed by a Board of Directors, with representation from each of the three core sectors, and led by an Executive Director working with a small team of volunteers.

In its early years, Pillar leaders sought to translate the network's bold vision into community practice. In 2004 Pillar organized the first London Leadership Conference, attracting more than 60 leaders from the three core sectors to a retreat in Grand Bend for intensive dialogue on challenges and opportunities in London as a mid-sized city facing structural transformation in its economy and generational change in its leadership. With a focus on "systems change" (the root causes of social problems) and cross-sectoral collaboration, the conference framed an ambitious direction—one that spoke to the particular organizational milieu of the mid-sized city. A 2006 City of London social policy document identified the gap in the civic landscape:

While each of the 'three pillars' -- public, private, and voluntary sectors -- has clear roles in the success of local efforts to identify and respond to social issues, one of the notable gaps in our community is the absence of a coordinated community body that guides this work. While other communities across the country may have social planning councils or similar mechanisms that work to address broader social issues (such as poverty or quality of life) in a more coordinated way, this does not exist in London (City of London, 2006).

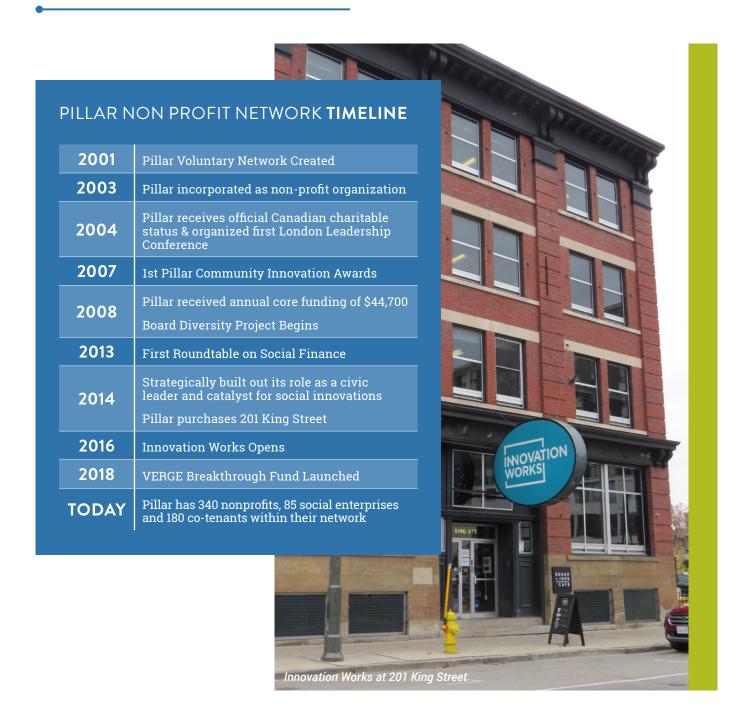
At the same time, however, Pillar leaders recognized that as a small, fledgling organization with limited resources and a modest profile it was important to set achievable goals and build community credibility, as well as internal capacity, through doable projects. They reasoned that systems change might come about in a more step-by-step process over time.

It followed that between 2004 and 2007, a time of seeking funding and encountering organizational challenges, Pillar made key decisions about its ongoing priorities and future goals. While Pillar's emergence was facilitated by the federal government's Voluntary Sector Initiative and related pan-Canadian voluntary associations, it was decided that further organizational growth required greater engagement at the local level with the municipal government and London citizens. Presentations were made to City Council, ambitious membership goals were set, and community consultations were launched to clarify the vision and focus the mission.

The local engagements delivered four significant returns for Pillar:

- 1. Following initial rejections by the City of London, Pillar, in 2008, received annual core funding of \$44,700.
- 2. The community consultations streamlined Pillar's vision and mission statements in ways that made them resonate more with citizens.
- 3. Pillar emerged from this period of organizational reflection with a focused mandate "to strengthen the impact of the non-profit sector" as the foundation "for a more inclusive, engaged and vibrant community."
- 4. In 2014, it began to assess and evaluate activities through the lens of measurable outcomes and community impact rather than impressions of effectiveness based on inputs or outputs. With this core mission established and having embedded itself in the London fabric, Pillar began to strategically build out its role as a civic leader and catalyst for social innovations.

Pillar began with a community vision of the three core sectors or pillars (government, business, and non-profit) joining together to solve complex problems, and with an organizational mission to bridge the silos that often prevented such cross-class collaboration.





Today, it is a voice for over 340 non-profit organizations in London. Significantly, this representational role extends to platforms and tables beyond the voluntary sector. Consistent with the founding aspiration to advance cross-sector collaboration, Pillar's Executive Director is a member of London's major economic development planning process, the Community Economic Road Map. In the same spirit of aligning social and economic priorities, Pillar has partnered with the London Chamber of Commerce to include recognition of corporate social responsibility in the annual Business Achievement Awards. Winning firms demonstrate social leadership in matters ranging from corporate governance, transparency, and civic engagement to charitable donations and sponsorships.

Pillar Nonprofit Network's impressive evolution from its "bold dream" in 2001 to becoming a driver of community change and social innovation speaks directly to key aspects of the new civic leadership. A respected institutional intermediary in London, Pillar

mobilizes civic entrepreneurs to tackle some of the hardest public problems. Consistent with the change theory of strategic incrementalism, Pillar has been an adaptive organization delivering on its ambitious vision with actionable projects focused on the voluntary sector while engaging, where appropriate, the expertise or resources of business, government, and educational sectors. Fine-tuning its mission through practice, Pillar has been a learning organization, externally seeking feedback from the local community and drawing lessons from thought leaders, sectors experts, and other cities' networks, and internally tapping the collective intelligence of its volunteers, Board members, and professional staff.

Over Pillar's "epic journey" the quality and impact of its boundary-spanning civic leadership is best captured through a closer look at key projects. Below we highlight four flagship initiatives, each of which offer innovative ideas and investments to make London a more inclusive and resilient community.

1

VOLUNTARY SECTOR CAPACITY: ENHANCING BOARD DIVERSITY

A central goal of Pillar is to strengthen the impact of the nonprofit sector and the organizations it supports. To this end, Pillar provides professional development services and opportunities tailored to the varying needs of governance board members, executive directors, project leaders and their teams. In addition to targeted training events, Pillar facilitates networking and information sharing, connects volunteers with aligned organizations, and hosts conferences that connect local agencies with the wider community of thought leaders and innovative practitioners. Created through a partnership with Western's Continuing Studies and Fanshawe College, Pillar's professional development program included multiple workshops on topics such as marketing and public relations, social innovation, risk management, leadership, and strategic planning. Additionally, annual Community Collaboration Forums brought together government, business, academic, and non-profit sectors.

In building community capacity, a priority of Pillar has been ensuring diversity, inclusion, and intercultural competence. Recognizing that closing the gap between board members and the communities they represent and serve is an urgent cross-sectoral challenge, the network has worked systematically toward change. Awarded a \$300,000 federal government grant in 2006, Pillar undertook a two-year study of diversity and inclusion at both the community level and in the specific context of organizational governance. Partnering with equity researchers at Western University and connecting with knowledge leaders in the diversity field such as the Maytree Foundation, the Pillar team worked with 18 boards in London to build better understanding of discrimination within orga-

nizations, barriers to inclusion, and evidence-based strategies for their elimination. Such strategies, it was emphasized, move from the normative or moral argument for diversity to the business imperative of leveraging the broadest possible talent pool in the knowledge-based innovation economy.

Building on these research findings, Pillar recently followed up with a "Reimagining Governance" project in partnership with Ignite NPS Foundation. This project explores the emerging challenges facing boards as they navigate an increasingly diverse society and fast-paced economy while citizens grow increasingly concerned about fair ethnic, racial, gender, and age representation. How can boards manage the tension between traditional accountability and risk management on the one hand, and greater pressures for collaboration and community-wide impact on the other? Does shared and distributed leadership work within existing governance structures and processes, or is fundamental rethinking needed? How can boards reach out to under-represented groups and include their influence in decision-making? The Reimagining Governance initiative takes up the most urgent and difficult challenges facing the non-profit sector and mobilizes its expertise and years of experience to assist organizations in building governance structures and inclusive processes that reflect societal change and generational expectations.

2

PILLAR COMMUNITY INNOVATION AWARDS: SHIFTING THE CIVIC CULTURE

For more than a decade, Pillar, with initial financial support from Libro Credit Union, has led a process to recognize outstanding community-building achievements in London. Taking its cue from the Leader-

ship Niagara, Pillar established multiple recognition categories—Innovation, Leadership, Impact, and Collaboration—and recruited arm's length committees to make the award selections. The Pillar Community Innovation Awards have drawn widespread support: attracting 27 attendees in its earliest iteration in 2004, the event is now a "must attend" not only for leaders from across sectors but for London's volunteer community. The 2017 celebration drew nearly 1000 people and featured a stellar lineup of unconventional community-builders and changemakers.

Beyond the impressive attendance numbers and celebrations, the enduring value of the Pillar Community Innovation Awards may be their impact on shifting the wider civic culture. London remains a city with the reputation of a rather staid place, not particularly open to change nor welcoming of experimentation and innovation. The Pillar Community Innovation Awards help "deconstruct" such myths and identities, and in shining the light on new voices and unusual successes, they help build—or more accurately, cocreate—a very different London community narrative.

This alternative story told through the Pillar Community Innovation Awards tracks the emergence of a vibrant and inclusive London. The awards, consistent with Pillar's founding vision, draw nominations and award recipients from each of the three sectors and celebrate mutual respect while acknowledging interdependence. Businesses, government, and the non-profits all engage in the process and come together in recognition of organizations that invariably find ways to combine economic, social, and environmental excellence. The Pillar Community Innovation Awards are an important process in allowing Londoners to communicate with one another about the changing make-up of the city, the diversity of its leadership, and the breadth of local talent.

Such cultural representations that capture an evolving and more inclusive urban identity are integral to the spirit and practice of the New Localism. Organizations such as Pillar that discover compelling ways to bring unusual community successes to the fore-front are exercising a sophisticated and impactful form of civic leadership. Over time, they can transform the "community mindset" to one that welcomes positive change and recognizes diverse forms of excellence. The Awards were so popular that a "Community Choice" award was added with overwhelming response.

3

VERGE CAPITAL: INVESTING FOR COMMUNITY IMPACT

The 2009 global financial crisis took a considerable toll on the southwestern Ontario economy. London's manufacturing sector in industries ranging from auto parts to food and beverage was plunged into a difficult rationalization and restructuring, with negative consequences for thousands of workers and their families. With municipal officials searching for new economic directions, Pillar stepped up in the emerging sectors of social enterprise and social innovation. Gathering policy knowledge from networks and conferences across the province, Pillar hosted an Innovation and Resilience Forum that set forth an innovation agenda for London and began to grow a social enterprise ecosystem for the region. It conducted an environmental scan that revealed over \$40 billion in investible assets in London and the surrounding region that could be tapped for community impact in areas of poverty reduction, environmental sustainability, and inclusive employment, if the appropriate business models and venture capital mechanisms were in place. Through a provincial government initiative, Pillar participated in a multi-city regional social economy strategy for sustainable communities.

These various initiatives came together in the formation of VERGE Capital. The new social investment fund developed partnerships with the local entrepreneurship ecosystem as well as national and provincial experts, including the MaRS Centre for Impact Investing, to leverage existing infrastructure and best-practice approaches. Pillar was the backbone organization for VERGE, supporting a collective effort by London Community Foundation, Sisters of St. Joseph, United Way London and Middlesex, and Libro Credit Union. With financial support from the Ontario government's Social Enterprise Demonstration Fund, VERGE established a \$385,000 Social Enterprise Loan Fund that offered, in addition to capital access, a comprehensive continuum of support (e.g., business advisors/coaches, training, market analysis and feasibility studies, enterprise models) to social enterprise startups on the verge of breakthrough and to more established organizationsthereby covering the non-profit, cooperative, and for-profit sectors in the London region.

With Pillar's strong support, VERGE Capital rapidly became a powerful, place-based institutional intermediary bridging the gaps in capacity and finance between local social entrepreneurs and sources of social purpose capital. In four years it has catalyzed \$4 million of local investment, supporting social enterprises in the food, retail, consumer goods, and education sectors as well as in community impact real estate. The overall community impact includes access to training and employment for persons with disabilities as well as social innovations ranging from increasing child cyber safety to facilitating global access to educational materials and investing in the vitality of disadvantaged neighbourhoods.

Not unlike the Pillar Community Innovation Awards, Pillar's role in VERGE Capital may well be leading to culture shift within the investment industry. By successfully demonstrating the community benefit and economic return from joining business goals with social and environmental progress, VERGE Capital

created new awareness of the value of impact investing in the local places where people live and work. Social enterprise is now on the official economic agenda in London and social finance in London is becoming widely recognized provincially and nationally. With active support from mainstream organizations such as the Small Business Centre, Techalliance, Propel, and LEAP Campus Link Accelerators at Western University and Fanshawe College, the Chamber of Commerce, and the London Economic Development Corporation, social enterprise is now integral to provincial and municipal strategies to secure the city-region's economic and social future.

4

INNOVATION WORKS: CO-CREATING THE FUTURE

The shift in the local economic culture is perhaps nowhere more evident than in the social finance loans and community bond of Innovation Works. Eight years in the making, Innovation Works is London's first co-working and social innovation space, providing flexible office and event spaces in a four-story, 32,000 square foot building in downtown London for over 180 enterprising non-profits, cooperatives and social businesses. Co-tenants share their expertise and skills to move each other's ventures forward. As a community hub and platform for generating ideas and testing concepts, Innovation Works enables transformational change for London.

¹ VERGE Capital was featured in a February 2018 Forbes article entitled "Ontario, Canada Tries Out Impact Investment With A Local Bent And An Experimental Approach" (Field, 2018).

Innovation Works is the physical expression of Pillar's enduring vision of intersectoral collaboration to forge an ecosystem of "inclusive innovation." The process by which it came into existence features several "firsts" for London, with Pillar taking the kind of evidence-based risks required for the transformational change that distinguishes the new civic leadership.

Through the support of a London Community Foundation grant, Pillar worked with numerous community groups and design consultants in the formation of Innovation Works. The building purchase of \$3,550,000 was financed through loans from social investors and grants from community groups and institutional supporters. An additional \$1,000,000 in financing for renovations and debt repayment was raised with VERGE Capital's launch of London's first-ever community bond. Aside from the monetary benefit of reduced debt, this created an extraordinary avenue for every community member to support the creation of Innovation Works. Over 45 individuals and organizations did just that through investments of \$1000-\$500,000.

While there are over 200 co-working spaces in Canada, most are concentrated in large cities. Pillar established a first-of-its-kind affiliation with Toronto's Centre for Social Innovation, Canada's first co-working space and a globally recognized leader in the field of collaborative communities and innovation. This affiliation is intended to strengthen each organization's offerings to their respective communities and create a bridge for new collaborations between social innovators in Toronto and London. Additionally, Innovation Works is part of a co-working passport with The Hive in Vancouver and Impact Hub in Ottawa. The physical space provides non-profits to think more like revenue generating businesses that reflect sustainability. And in return, typical businesses are considering how to build social impact into their business model; in some cases with hopes in becoming a B Corp.

At Innovation Works, Pillar animates the innovation process, strengthening the capacity of individuals and organizations to solve problems of community-wide import. Putting entrepreneurs, businesses, government, educators, and non-profits under one roof and literally removing the barriers between them, Innovation Works is where ideas collide and connect. Reflections from two founding tenants, Fanshawe College and Libro Credit Union, capture the value-add: Fanshawe's Research and Innovation Dean, Dan Douglas, explains that at Innovation Works "we are part of the conversation - colliding with people we wouldn't normally meet and finding great new ways of working – away from traditional silos." Libro Regional Manager Michael Smit finds that Innovation Works is a "place to learn and share, with many different perspectives and approaches stimulating new ways of thinking about our community."



CONCLUSION

New Localism research advances important claims about the role of civic leadership in driving transformational change in cities. Our discussion of London's Pillar Nonprofit Network has shown how such leadership actually plays out in the specific context of the mid-sized city. With a vision of cross-sectoral collaboration and a mission to advance social inclusion, Pillar has used a variety of instruments and strategies to deliver community impact through a series of reinforcing projects that over time are helping to make London's civic and investment cultures more inclusive and innovative.

3 KEY LESSONS

From Pillar's evolving story of civic leadership several key lessons emerge, three of which are most salient. First, impactful organizations must be adaptive, responding creatively and intentionally to changes in their operating environment. Pillar began with a general aspiration to make "system change" but, encountering constraints, it smartly shifted its focus to project-based work in its core non-profit sector as the base for subsequent initiatives of community-wide scale and impact. Second, civic leaders must be rooted in learning organizations open to input and insight from a wide array of constituencies. Pillar's evolution is full of examples of such lessons informing its evidence-based risk taking—adapting models from other cities, drawing on the lived experience of its own volunteers, mobilizing expert research, and tapping the wisdom of the wider community.

Finally, leading through uncertain times requires resilience. Persistence through the inevitable setbacks when aiming to solve the most complex problems in an inclusive way distinguishes organizations with community impact. As the 2009 global financial crisis battered the London economy and drained the non-profit sector of resources, Pillar stretched itself to lead formation of the social enterprise sector. The foundation was laid for Innovation Works, the transformational project that embodies Pillar's founding vision and embeds it in the fabric of a city moving forward.



CIVIC LEADERS

MUST BE

ROOTED IN

LEARNING

ORGANIZATIONS

LEADING
THROUGH
UNCERTAIN
TIMES REQUIRES
RESILIENCE

REFERENCES

Bradford, N. 2014. "Challenge and Change in London: The Social Dynamics of Urban Governance" in N. Bradford and A. Bramwell, eds. *Governing Urban Economies*. Toronto: UTP.

City of London, 2006. "Social Policy Framework". Department of Community Services, Social Research and Planning.

Field, Anne. Feb 24 2018. "Ontario, Canada Tries Out Impact Investment With A Local Bent And An Experimental Approach" in Forbes. https://www.forbes.com/sites/annefield/2018/02/24/ ontario-canada-tries-out-impact-investment-with-a-local-bent-and-an-experimental-approach/#58357582782f

Hambleton, R. 2015. *Leading the Inclusive City*. Bristol: Policy Press.

Katz, B. and J. Nowak. 2018. *The New Localism.* Washington: Brookings Press

Mallach, A. and L. Brachman. 2013. *Regenerating America's Legacy Cities*. Lincoln Institute of Land Policy

Tener, B. 2013. "Leading with a Network Mindset". New Directions Collaborative.