

International cities: case studies

US: Cleveland

Introduction

The City of Cleveland is an urban centre of around 400,000 residents located in Cuyahoga County in the state of Ohio. The population of the city has declined considerably since the 1950s (Gibson, 1998). In part, this decline was the result of the significant deindustrialisation the city experienced. The net impacts of this economic change were the extension of a range of economic and social problems, including rising poverty in the 1970s and 1980s (Warf and Holly, 1997). Population loss has been associated with imbalance in the local housing market, physical dereliction and a reduction of the tax base (Mallach and Brachman, 2010).

The economy began to recover in the 1990s (Warf and Holly, 1997), although the geography of jobs growth during this decade saw overall employment growth in the suburbs, but not in the central city (Mallach and Brachman, 2010). During the 2000s Cleveland has experienced growth in a number of highly-skilled sectors, with increasing job opportunities in some STEM and health occupations, as well as growth in the number of highly skilled workers living in the city (Piipariene and Russell, 2014). However, poverty rates in the city remain comparatively high (American Census, 2016); unemployment rates are around the national average while wages are slightly below (BLS, 2016).

OECD data for the Cleveland metropolitan area suggests GDP per capita growth of almost 12 per cent between 2009 and 2013, reaching a level significantly above the previous pre-recession high. Over the same period however, total employment and the employment rate were relatively flat. More recent data, from the Bureau of Labour Statistics, shows a fall in the unemployment rate and a rise in total employment between 2013 and 2016.

Governance

The US is a federal system with significant devolution of powers and responsibility to the state level (in the case of Cleveland the state of Ohio). By comparison to UK cities, US cities generally have greater policy powers at their disposal. The City of Cleveland has a 'strong mayor' model of government, with the mayor serving as the City's Chief Executive. In 1997, the state legislature approved legislation giving the Mayor of Cleveland the power of appointment of the Chief Executive of the school district, setting the Mayor at the head of the education governance structure (Moscovitch et al, 2007). The current Mayor of Cleveland is Mayor Jackson, a Democrat, who was first elected in 2005 and subsequently re-elected in 2009 and 2013.

While US cities generally have greater powers than UK ones, interactions with State and National Government remain important. For example, the State of Ohio has recently passed legislation which will prevent the City from using local hire preferences in state-funded construction projects; something the Cleveland Mayor opposed (Office of the Mayor, 2016a). The Mayor has also written in favour of state and national minimum wage rises, as opposed to city-level ones (Office of the Mayor, 2016b).

Strategy, Vision and Leadership

An important strategic approach to economic development and harnessing inclusive growth in the city, is the 'Cleveland Greater University Circle Initiative' (GUCI). The initiative is a partnership between a number of the city's important anchor institutions, the public sector and philanthropy. The strategy is

'spearheaded' by the Cleveland Foundation, a large philanthropic organisation which provides grant funding to projects concerned with economic and community development, education, housing and a range of other areas of activity in the Greater Cleveland area (Austrian et al 2014; 1). The main anchor institutions who work in partnership with the Cleveland Foundation and the public sector in the University Circle are Case Western Reserve University, the Cleveland Clinic and the University Hospitals.

The GUCI strategy has been developed to help utilise the role of local anchor institutions to help improve the conditions and economic opportunities for disadvantaged citizens of the city. In particular, the strategy has an emphasis on supporting disadvantaged neighbourhoods. The strategy articulates 'two convictions' on which the strategy is premised:

- 1) 'that by working together, anchor institutions can achieve more than any single institution working on its own';
- 2) 'that while physical development is important to urban revitalization, neighbourhoods cannot succeed unless the people living there are valued and empowered'.

(Source: Cleveland Foundation, 2013)

The strategy was developed to help bridge the 'invisible divide' between the city's important economic institutions, and the areas of disadvantage which surrounded them (Cleveland Foundation, 2013; 8), The University Circle is home to 17 major institutions, but in the residential areas around the Circle (the Greater University Circle Neighbourhood) the population is characterised by comparatively low household incomes and high unemployment (Cleveland Foundation, 2013). The neighbourhoods included within the Greater University Circle Neighbourhood are: Buckeye/Shaker; Central; East Cleveland; Fairfax; Glenville; Hough; Little Italy and University Circle. It is the spatial proximity between leading institutions and areas of poverty and disadvantage that frames the approach.

The GUCI was first developed in 2005, and in 2010 a new Economic Inclusion programme was developed as part of the initiative. GUCI has received significant financial support from the Cleveland Foundation as well as from the City Government and other stakeholders over the past decade. Between 2011 and 2013 the strategy received additional funding through the national Living Cities Integration Initiatives (Austrian et al, 2015).

The GUCI strategy focuses on four areas: 1) institutional partnership; 2) physical development; 3) economic inclusion ('programs for the people'); and, 4) community engagement (Cleveland Foundation, 2013). The balance of emphasis of the strategy is towards improving opportunities, including opportunity to access jobs with chances for career advancement, opportunity to become a worker-owner of a business, and opportunity to become a homeowner. The emphasis is also on building strong communities and supporting community relations.

Design, Implementation, Monitoring and Impact

The management of the GUCI is structured to encourage strategic planning and secure and maintain high level buy-in from partner organisations. There is a Greater University Circle Initiative leadership table (group) of senior managers within the partners which is responsible for setting strategic goals and direction. The partner organisations also meet at a delivery level through an Economic Inclusion Management Committee (EIMC), the role of which is translating strategic goals into 'projects and programs' (Austrian et al, 2015). 33 members from 15 organizations serve on either the Executive Committee or sub-committees of EIMC. The sub-committees are thematically orientated.

Leadership has clearly been critical to the development of the GUCI. In particular, the Cleveland Foundation has played a pivotal role, as has the Mayor and City Government. Securing and maintaining the buy-in of senior leaders in the anchor intuitions has also been fundamental to the initiative.

The GUCI is regularly monitored and assessed for impact. The most recent evaluation report of the GUCI Economic Inclusion programme covers 2014³⁹ (Austrian et al, 2015). The evaluation is structured around the four thematic areas of programme activity: Buy Local; Hire Local; Live Local; and, Connect. Selected evaluation findings are summarised in Table 1 in the following section, which also provides an outline of the component programmes and selected projects which underlie the GUCI.

The direct employment effects of individual projects are relatively modest. The Evergreen Cooperative project for example, which is a relatively large investment in worker cooperatives, has 84 employees. There are much larger numbers in relation to employment of local residents at anchor institutions (2,365), although it is not known how much of this relates directly to the initiative's impact. Local procurement spend by the anchors (which is an important component of the approach) is large and appears to be increasing, while there has also been significant physical redevelopment and investment in housing both in the previous 12 months and across the initiative over the longer-term.

Within the evaluation report, the consideration of drivers of change and deepening of working relations with the anchors highlights the importance of 'business case' issues in maximising employer participation. Discussing the Cleveland Clinic the report describes how:

'Their core business is health care and it's important to make the business case for greater involvement in the community, whether it is local hiring, community healthcare, or sustainability. It is also important to quantify that impact. For example, the Cleveland Clinic sees the EIMC's local purchasing and hiring goals as an important part of their resiliency strategy, a way of positioning them to sustain operations in case of a disaster. Everything they do comes back to patient value, which is the Clinic's bottom line'

(Austrian et al, 2015; 5)

Exemplar themes and initiatives

Table 1 sets-out many of the programmes and projects which underpin the GUCI Economic Inclusion programme. The activities are a mixture of those seeking to maximise economic multipliers and reduce the leakage of the benefits of economic activity (Buy Local and Hire Local), as well as those associated with place-making and building communities (Live Local and Connect). The central innovation in the initiative is the role of the anchor institutions in not just supporting outcomes, but for their important role in the strategy formation and partnership working. An important element of this role is through the way they orientate their procurement spending and their recruitment practices. The three anchors combined employ 2,365 local residents. Several projects (NewBridge, StepUp and Welcome to Fairfax) have also been developed which aim to support disadvantaged residents through the process of accessing employment opportunities in the anchor institutions. For example, StepUp is a training programme which has been developed with University Hospitals and which targets areas of employment opportunity in the health sector. The use of cooperative structures (through Evergreen Cooperative an umbrella body for a number of co-ops) is also an innovative aspect of the programme.

These provide not just employment, but also potential worker ownership to successful programme entrants. In addition, they can also offer a more flexible and supportive workplace for those experiencing some difficulties in the transition into employment. The cooperative structure may also provide an avenue to move beyond grant funding and build sustainability into development models. Finally, the initiative is also multidimensional, focusing on building the local economy and widening access to employment and enterprise opportunities, but also on housing quality and access and on community development.

Table 1: Selected projects and results from CUCI Economic Inclusion programme Year 4 Evaluation Report

Programme/projects	Description	Results
Theme: BUY LOCAL		
Health Tech Corridor	<p>The continuing development of an area with specialism in biomedical and healthcare, including leading medical facilities, universities, business incubators and high-tech companies. The transport corridor is served by a 'bus rapid transit line' linking neighbourhoods to a centre of economic activity.</p>	<p>Economic development projects announced including new superfast speed fibre network</p> <p>Starting a 'coding academy' for women and minority residents interested in technology</p> <p>Physical regeneration – large-scale remediation of brownfield land and other renovation work (since 2008)</p>
Anchor procurement and supply-chain initiative	<p>The goal of this strand is to 'identify opportunities for joint purchasing among the three anchor institutions in the Greater University Circle and leverage their purchasing power to increase local economic activity and build community wealth' (page 10)</p>	<p>Case Western Reserve University: Spent \$76.4 million in procurement in the City of Cleveland/ \$128.6 million within the (Cuyahoga) County, representing 17% and 29% of all procurement spend. Amount of spend and share locally have increased since 2011</p> <p>The Cleveland Clinic: Spent \$189.8 million in procurement in the City of Cleveland/ \$368.9 million within the (Cuyahoga) County, representing 11% and 21% of all procurement spend. Spending in the City increased by \$17 million between 2013 and 2014 and by \$13 million elsewhere in the County.</p> <p>The University Hospitals: Spent \$126.6 million in procurement in the City of Cleveland/ \$314.3 million within the (Cuyahoga) County, representing 18% and 44% of all procurement spend. Spending in the City increased by \$2.5 million between 2013 and 2014 and by \$140 million across the County.</p>

Small Business Development: NextStep Program	Aims to use enterprise to support revitalisation of low-income communities. Provides tuition and business support to existing business owners	N/A
Evergreen Cooperatives	Launched in 2009, a group of worker-owned businesses developed to provide new job opportunities. Three cooperatives are operating – Evergreen Cooperative Laundry; Evergreen Energy Solutions and Green City Growers.	<ul style="list-style-type: none"> • The Evergreen Cooperative Laundry has 39 employees and achieved it's first 'profitable year of trading' • The Evergreen Energy Solutions has 14 employees, a 'steady pipeline of work' and was 'slightly profitable in 2014' • Green City Growers has 31 employees although is not yet profitable. <p>A new housing support offer has been developed to help support cooperative workers into home ownership</p>
Theme: HIRE LOCAL		
Anchor Hires	<ul style="list-style-type: none"> • Direct employment in anchor institutions • StepUp to UH - a partnership between University Hospitals and a local non-profit to help disadvantaged local residents access opportunities for employment and career ladders. The programme aims to backfill entry level positions in patient transport, nutrition services, and environmental services • Welcome for Fairfax programmes- began operating in summer 2014 to provide support with application and interview preparation, as well as other supportive services, to help local residents access opportunities at the Cleveland Clinic 	<p>Of total anchor employment in 2014, 3.5% lived in the GUCI area, 12.7% in Cleveland and 62.7 in the County area (equating to 2,365; 8,447; and 41,795 employed respectively)</p> <p>28 people were hired through StepUp to UH from GUC neighbourhoods</p>
Employing Clevelanders through Evergreen	Utilising the Cooperatives to support work entry in local communities	84 employees in 2014 (breakdown report above)

NewBridge Cleveland Center for Arts and Technology	Provides programmes for youth in arts and technology, and trains unemployed and underemployed adults for careers in healthcare. The two training paths are in pharmacy and phlebotomy. These training paths have been developed with, and co-designed. by local anchor hospitals. The programme includes classroom learning and work placements with partner hospitals	Of 127 enrollees in training programmes, 109 graduated and 69 have accepted job offers
Theme: LIVE LOCAL		
Greater Circle Living Program	A housing assistance programme for those working in the anchor institutions and non-profits in the GUCI area. Employing organisations offer incentives to those living in the areas such as forgivable or loans to help access to housing. A rental assistance programme also operates	Around \$2.6 million of incentives have been awarded since 2008 to 241 employees.
Theme: CONNECT		
Neighbourhood connections	A range of activities to build community networks and mutual support Place-making activities – including physical neighbourhood regeneration, healthy community activities and community safety Neighbourhood grants – for resident-led projects	1,500 participants in community networks, 750 acts of mutual support \$175,000 in neighbourhood grants

(Source: summarised from Austrian et al, 2014).

Synthesis and Conclusion

Cleveland provides an example of the development of a strategic approach, underpinned by a range of projects, to widening access to opportunities. This strategy has been developed through the GUCI. The GUCI seeks a way to utilise anchor institutions and associated economic activities and to better link these to social outcomes for the population of deprived neighbourhood in the surrounding area. It seeks to expand social benefits through a mixture of approaches aimed at employment, housing, physical environment and community relations. While the language of inclusive growth is not used explicitly in strategic documents, there is an obvious approach to linking the success of city (anchor) institutions more closely with their local populations.

The Cleveland experience provides a number of ideas and approaches that are relevant to the UK context, but there are also some potentially important differences. The most obvious emphasis of strategy in Cleveland is utilising the existing assets, the city's anchor institutions, as way of improving economic and social outcomes. In particular, the city's hospitals and University have been important partners. The approach might be considered as part systems change, and part project-based (community) economic development. The strategy aims are for greater local recruitment and spending (i.e., changing the behaviour of anchor institutions to help more of the benefits of activities remain in the area), while projects also provide help with access to employment, enterprise support and housing and community development offers. The GUCI highlights the importance of local partnership working and securing buy-in at senior level in partnership organisations, something which is crucial in driving systems change. Other elements of innovation include the role of cooperative forms of employment as a route to employment entry and to asset building. This approach may also place the survival and growth of these institutions on a sustainable footing. An important challenge though is whether such initiatives can be effectively scaled- up.

Overall, the Cleveland experience is also notable for its relatively broad approach encompassing traditional tools of economic development (such as infrastructure investment and physical development), with initiatives to widen access to opportunity combined with an emphasis on community and living conditions. An important difference between the Cleveland experience and the possibilities in UK cities is the important role played by the Cleveland Foundation, a large philanthropic organisation, in driving both the partnership approach and in the provision of funding for projects over a sustained period.

References

- Austrian, Z; Hexter, K.W.; Clouse, C. and Kalynchuk, K(2015) "Greater University Circle Initiative: Year 4 Evaluation Report". *Urban Publications*. Paper 1288.
http://engagedscholarship.csuohio.edu/urban_facpub/1288
- Bureau of Labor Statistics (undated) *Summary – Cleveland*. Available at:
http://www.bls.gov/regions/midwest/summary/blssummary_cleveland_oh.pdf
- Cleveland Foundation (2013) *Cleveland's Greater University Circle Initiative*. Available at:
<https://www.clevelandfoundation.org/.../Cleveland-Foundation-Greater-University-Circle- Initiative- Case-Study-2014.pdf>

Gibson C. (1998) *Population of the 100 largest cities and other urban places in the United States: 1790 to 1990* US Census Bureau. Available at: <http://www.census.gov/population/www/documentation/twps0027/twps0027.html>

Mallach A. and Brachman L. (2010), "Ohio's Cities at a Turning Point: Finding the Way Forward," Brookings Institution Metropolitan Policy Program, May 2010.

Moscovitch R. et al., *Governance and Urban School Improvement: Lessons for New Jersey From Nine Cities*, The Institute on Education Law and Policy, Rutgers University—Newark (2010), <http://ielp.rutgers.edu/docs/MC%20Final.pdf> .

Piiparinen, R. and Russell, J. (2014) "Globalizing Cleveland: A Path Forward" *Urban Publications*. Paper 1164. http://engagedscholarship.csuohio.edu/urban_facpub/1164

Statement for Mayor Jackson on Legislative Proceedings to raise the Minimum Wage in Cleveland. Available at: <http://www.rethinkcleveland.org/Home/HerolImages/5-12-2016-Statement-from-Mayor-Jackson-on-Legislat.aspx?ext=.pdf> Letter from Mayor Jackson to Governor Kasich, available at: clecityhall.files.wordpress.com

Warf, B. and Holly, B. (1997) 'The rise and fall and rise of Cleveland' *Annals of American Academy of Political and Social Science* 551, pp208-221

Notes

³⁹ Year 4 of the Programme