

International cities: case studies

US: New York

New York City is the largest city in the United States and still growing, reaching 8.55 million in 2015⁴⁰. It is located in the Southern tip of New York State on the Atlantic coast. The city consists of five boroughs: Brooklyn, Queens, Manhattan, The Bronx, and Staten Island. New York is an international economic powerhouse, with the city generating 1,558.518 billion dollars in GDP in 2014⁴¹. It suffered to some extent during the economic downturn (with relatively strict public sector budget cuts) but has since recovered, with GDP growing by 6.2% from 2009-12 while employment growth was 2.2%. However the city has higher than national average levels of inequality and 45% of New Yorkers are considered in, or near, poverty⁴². New York City is also relatively segregated by income: for example 41% of the lower-income households in the New York metropolitan area are situated in a majority lower-income census tract, compared with 26% in Atlanta and 8% in Boston (Fry and Taylor 2012).

Governance

The United States is a federal system, with most policy relevant to people's day-to-day lives devolved to the 50 state governments. Each state has its own written constitution, government and code of laws. State constitutions vary in the level of power they grant to local governments and cities - typically the greatest discretion is given in relation to local government structure, and the least discretion in relation to finance. Workforce development policy in the United States is managed federally under the Workforce Innovation and Opportunities Act (WIOA) system. Each state has its own employment policy implementation system, in addition to Workforce Development Boards at the state and local levels which involve business and community-led organisations in planning and overseeing policy delivery. Education and skills policy is relatively decentralised, with education being largely funded bottom up through locally elected school districts.

The current Mayor of New York, Bill de Blasio, came into office in 2014, as an electoral outsider on a strongly pro-inclusion campaign. He follows the three-term Mayor Bloomberg, who was a popular centre right mayor with considerable personal resources to fund his own projects. There is a "strong" mayor-council system in the city, with the mayor being elected to a four-year term and responsible for the administration of city government. The New York City Council consists of 51 members, each elected from a geographic district. The Council can override the Mayor's decisions (e.g. to veto a particular policy) if a two-thirds majority is achieved. The city boasts a 82 billion dollar annual budget⁴³, although the operational budget is smaller, given that there is limited discretion in how the budget is used and the city has ongoing debt servicing requirements.

Strategy, Vision and Leadership

During his election campaign, de Blasio argued that New York had become (the tale of) 'two cities' with two sets of very different lived experiences for the wealthy and the poor. Hence he has developed the #One NYC Strategy to unite the city. His initial aim was to tax the very wealthy in order to subsidise public initiatives, such as the provision of universal pre- kindergarten education, a policy which received widespread public support. However, clashes with the New York State governor (who is a fiscal moderate) have prevented him following through on his taxation plans.

The [#OneNYC](#) strategy is identified as *'the plan for a strong and just city'*⁴⁴, aiming to make New York City an *'inclusive, equitable economy that offers well-paying jobs and opportunities for all New Yorkers to live with dignity and security'*. The strategy was developed using four 'lenses' which were adopted *'to make sure we tackled the right problems'*: growth, equity, sustainability and resiliency. In fact 'equity' is the latest strategic focus for the city, with growth, sustainability and resilience being the focus of three previous strategies developed under Mayor Bloomberg in 2007, 2011 and 2013 respectively. The four lenses have translated into the four guiding principles that organise the strategy, while also being mechanisms for assessing policy proposals and setting targets. The aim was to create a comprehensive plan that would bring all the different city agencies together so that they would work in a more integrated fashion towards common goals rather than being stuck in policy silos: *'breaking them out of their regular way of going about their business'*.

The plan's more specific goals include lifting New Yorkers out of poverty (800,000 by 2025), promoting pre-kindergarten education for all, delivering a ten-year affordable housing plan, better integrating social and government services delivery (and reorganising the workforce development system), raising the minimum wage, promoting criminal justice and reducing traffic fatalities to zero. The first priority of the #OneNYC strategy is still growth – with an aim for the city to support a thriving economy. However growth is no longer seen as 'an end in itself'. There is also a strong awareness that growth is putting a strain on infrastructure and public services and that this needs to be managed. The strategy has a strong environmental slant, with an aim for New York City to be 'the most sustainable big city in the world' through dramatically reducing greenhouse gas emissions by 80 percent by 2050, while achieving the cleanest air of any large U.S. city.

While the term 'inclusive growth' was not frequently used or referred to by city officials interviewed, the idea of equity is at the forefront of #OneNYC as one of the four guiding principles. Inequality is also a term frequently used, perhaps to a greater extent than poverty, although a key aim of the #OneNYC plan, is to lift people out of poverty. The terms inclusion and empowerment are also used, for example, as principles for evaluating progress. While this is not explicitly stated, the New York strategy seeks to improve both 'equality of opportunity' (for example through universal preschool education) while also addressing 'equality of outcomes' (for example through ensuring a fair living wage). There is a strong emphasis on participation, with #OneNYC drawing on the expertise of over 70 city agencies and almost 10,000 people and community organisations. The city is also directly engaging with particular communities on plans for area improvement.

It was felt that identifying appropriate performance indicators can be an important way of focusing policy, and ensuring that particular strategic commitments endure beyond individual Mayoral mandates – for example #OneNYC strategy lists and reports on the

previous goals of two strategies developed under Mayor Bloomberg. There is also a Mayor's management report which is released twice a year and which tracks progress against indicators. Getting indicators in and out of the report is identified to be a relatively bureaucratic exercise, so indicators tend to remain, driving continuity in policy approaches. For example, in support of 'environmental justice' and in recognition of environmental inequities, New York is now tracking city pollution levels by district, and this tracking is thought to be likely to persist.

Design, Implementation, Monitoring and Impact

#OneNYC is being delivered through 200 separate initiatives. The Mayor's Office of Operations is responsible for following up and reporting on all the Mayor's commitments and convening cross-sector task forces to drive these initiatives. The taskforces meet monthly and are seen as an important way of achieving policy integration. The strategy has 27 goals, 21 of which have goal-level indicators, many of which are quantitative and which incorporate baseline indicators.

In terms of progress so far, the three-hundred page 2016 [Progress Report](#) identifies that 95% of strategy initiatives have now been launched. From among the many different indicators listed, examples of recorded achievements include: New York is still growing, reaching nearly 4.3 million jobs (with a record jobs growth over the previous two years). The city has financed over 40,000 affordable apartments, which can accommodate 100,000 New Yorkers, since 2014. It has invested \$334 million in energy-saving projects in NYC's buildings, saving 114,000 metric tons of carbon dioxide and \$46 million annually. Other indicators reported on include the number of jobs accessible to the average New Yorker within 45 minutes by transit (83% in 2011 rising to 88% in 2015).

Despite the obvious achievements of the #OneNYC strategy so far, there have also been some challenges in implementation. For example, the strategy identifies that for the first time a 'regional' approach has been taken to solving some of New York's issues. However, as identified above, there have been disagreements between the Governor of New York State and the Mayor on how to deliver specific policies (such as on funding universal pre-school education), despite both politicians being from the same Democratic Party. Some see the Mayor's strategy as being too abstract and ambitious, despite the comprehensive reporting on concrete achievements so far. Further the Mayor's leadership has also suffered from a series of very public accusations regarding the way that certain contracts have been awarded to developers.

Exemplar themes and initiatives

There are many different schemes and initiatives being launched in New York City which would be of interest to UK cities – a short summary of some exemplar initiatives follows below.

A sectoral approach to building quality and relevant jobs: New York has been targeting investment towards industries that provide jobs that are good quality and accessible to New Yorkers. This includes an industrial action plan – while it has been in decline, it is felt that manufacturing still '*needs to be part of the city*' due to the relatively high wages it pays for relatively low skilled jobs, and its role in providing supply chains for the city's exports. The logistics and freight sector is also being supported, as again this generates relatively well- paid lower-skilled jobs that cannot be easily outsourced, while businesses are struggling to hire experienced people locally. Other sectors include tech, fashion, and

health-tech – all areas where the city feels that it already has a comparative advantage. Instruments to support these sectors include using the city's own property and land more strategically to provide space, including spaces for smaller 'break out' businesses to flourish. Training is also being better geared to these industries through the Career Pathways programme (see below).

Universal pre-school early year's education was De Blasio's signature campaign proposal. Soon after coming into office, the Mayor appointed a crack implementation team working 7 days a week to get the initiative working. Every child in the city can now access free provision at age 4 – with some agencies blending funding so that this can be topped up to full-time day care. A current challenge is significant inequalities in pay within the two main delivery environments: schools (protected by unions) and non-profit community services.

Career pathways and HireNYC: the workforce development system is being reorganised in New York around a career pathway system. There has been a fundamental change in thinking behind the system, from a principle of 'rapid attachment' to the labour market to the idea that people should be supported on career pathways towards sustainable employment commensurate with their skills and aptitudes. The aim is for people to now be referred to more intensive support, education and training where needed, in addition to available jobs, and for this training to be geared to local employment sectors. The overhaul of the system is only just beginning, however, some foresee challenges associated with delivering an ambitious and more intensive service while maintaining broadly similar resource levels and funding parameters. Part of the issue is that Mayor de Blasio has inherited a highly fragmented workforce and training system. An early (and time-consuming) action has involved establishing a common metric system across all providers, so that all are using the same vocabulary and standards within their performance management systems. New York City has also launched a targeted hiring programme in 2015 called *HireNYC*, which is identified to be one of the largest and most ambitious targeted hiring programs in the United States, ensuring that New Yorkers can access jobs created by the city's purchases and investments.

Minimum wage increases: Minimum wages are generally set at the State level in the United States, but Mayor de Blasio actively campaigned for a state-wide minimum wage policy, which the governor granted days after the Mayor launched his own minimum for city workers. The minimum wage for New York City workers will be \$15 by 2019. The wage increases are expected to lift about 750,000 New York City residents out of poverty.

Affordable and public housing: Public housing was slowly losing investment prior to the new Mayor coming into office. He has launched a ten-year housing strategy with the aim to build or preserve 200,000 affordable housing units, while also implementing an extensive repairs programme within public housing. The city can capitalise on the fact that they still own a substantial amount of land. The strategy includes a range of levels of affordability, leading some to accuse the Mayor of not catering enough to the poorest. There has also been some resistance to re-zoning changes which support more residential housing (including taller residential) and a greater percentage of affordable housing (up to 25-30 per cent).

Community level services: Many neighbourhood services in New York are delivered by Settlement Houses, which were inspired by the philosophy of Toynbee Hall in London, which held that professionals should live in the community they serve. While the rules on living locally have now been somewhat relaxed, the settlement houses provide one-stop-

shops for adult training, youth development, housing and homelessness, health and mental health, arts and culture childcare, and senior care; with 70-80% of funding coming through government contracts. A key priority is adult literacy training. The settlement houses come together in an association to advocate for policies to help the people that they serve. Another community based scheme has been run by the parks programme, who have used an innovative methodology to identify and target resources towards the most used parks in the city that have had the least public investment, and that are at the heart of communities in need of green spaces.

Finally, New York is using *smart and digital technologies* to increase the connectivity of New York residents. Over 160 municipal Wi-Fi kiosks have so far been installed, with touch screens incorporating free phone calls across US, while a program has been launched to deliver free broadband service to public housing residents.

Synthesis and Conclusion

Mayor de Blasio has developed a comprehensive set of proposals to tie growth further to equity, sustainability and resilience in New York City since coming to office. He has already succeeded in delivering important developments in the city, such as universal pre-kindergarten education and agreement on a new living wage. The key challenge will be to bring all De Blasio's ambitious cross-sector plans to fruition, while not compromising on strategic objectives in the process. As one interviewee mentioned 'the Mayor has proposed expensive things!'. However, the #One NYC Strategy team feels that they have adequate resources to do the job, drawing on the city's growing prosperity and the property taxes that the city can lever. The Mayor's original aims to fund part of his investments through leveraging new taxes on the very wealthy were prevented by the State government. However, by stimulating changes at State level, such as a new state-wide minimum wage, and state funding for pre-kindergarten education, De Blasio has also proved the ability of city mayors to 'lead from below' to create major changes for their city even where city level powers are lacking.

In summary, the implications for UK city leaders are that:

- It is possible for a new mayor to develop an ambitious new approach to creating inclusive growth, while at the same time intentionally building on the actions of his or her predecessor;
- Mayors may wish to focus on getting the fundamentals right – in this case, universal pre-kindergarten education, a living wage and access to affordable and good quality public housing;
- Setting performance indicators and ensuring that they are included in ongoing reporting requirements can lead to a policy focus being more sustainable over time.
- A mayoral task force can be helpful in catalysing a cross-sector approach to delivering particular initiatives within an inclusive growth strategy;
- Employment services can be reshaped to move away from a 'work-first' approach to deliver a set of longer term support services that may lead to more sustainable and good quality employment. Such a re-shake of the employment system is likely to require considerable resources however;
- Bringing manufacturing back into the city (for example through provision of appropriate space) may prove useful as part of a broader approach to creating a diverse set of jobs for city residents of all skills levels;

- Relationships between different levels of government (in this case city and regional) may require ongoing and time consuming negotiation.

References

Fry, R. and P. Taylor (2012). The Rise of Residential Segregation by Income. Social and Demographic Trends. Pew Research Center.

Notes

- 40 <http://www1.nyc.gov/site/planning/data-maps/nyc-population/current-future-populations.page>
41 US Bureau of Economic Analysis GDP by Metropolitan Area statistics 2015
42 <http://www1.nyc.gov/html/onenyc/index.html>
43 <http://www.wnyc.org/story/mayor-proposes-82-billion-preliminary-budget-2017/>
44 <http://www1.nyc.gov/html/onenyc/index.html>