

THE PROSPEROUS PROVINCE:
STRATEGIES FOR BUILDING COMMUNITY WEALTH



ANCHOR INSTITUTIONS

NEVENA DRAGICEVIC

THE PROSPEROUS PROVINCE: STRATEGIES FOR BUILDING COMMUNITY WEALTH

Commissioned by the Atkinson Foundation, this report from the Mowat Centre is intended to support informed discussion and guide decision-making in the emerging field of community wealth-building. The report is part of a research series, **The Prosperous Province: Strategies for Community Wealth**.

THE MOWAT CENTRE undertook the study as part of its commitment to better understand and communicate trends and innovations in economic development, especially those that promote inclusive growth.

THE ATKINSON FOUNDATION is supporting the study because of its commitment to evidence-based public discourse on issues related to social and economic justice.

Mowat Centre

ONTARIO'S VOICE ON PUBLIC POLICY



The Mowat Centre is an independent public policy think tank located at the School of Public Policy & Governance at the University of Toronto. The Mowat Centre is Ontario's non-partisan, evidence-based voice on public policy.

It undertakes collaborative applied policy research, proposes innovative research-driven recommendations, and engages in public dialogue on Canada's most important national issues.

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FOREWORD

“It’s time to challenge how Ontarians think about prosperity – who’s responsible for creating it and who benefits from it.”

“There’s a growing movement of people – inside and outside government – who aren’t content to watch fissures open up and leave our province deeply divided along race, gender and income lines.”

It’s time to challenge how Ontarians think about prosperity – who’s responsible for creating it and who benefits from it. Over the next ten years, the Province of Ontario will invest \$130 billion in public infrastructure and will continue to spend billions annually on goods and services to fulfill its mandate.

It’s time to use this considerable economic power even more deliberately and strategically to address income and wealth inequality. If the Ontario government does this, we can expect to derive significantly more value from public investments and expenditures by 2025. We can also expect other organizations, businesses and even consumers to follow the government’s example.

It’s time, therefore, to engage a much broader base of people to lead Ontario in this direction. Only political power can unleash this kind of economic power. By first raising expectations and then voices, this kind of public policy reform is possible. The passage of *Bill 6: Infrastructure for Jobs and Prosperity Act* in the spring is proof of this fact and a sign of progress.

There’s a growing movement of people – inside and outside government – who aren’t content to watch fissures open up and leave our province deeply divided along race, gender and income lines. They know that these conditions are bad for investment, bad for business, bad for the quality of community life, and unacceptable for their children and grandchildren.

Many of us don’t think of ourselves as anti-poverty activists. We manage public funds at various levels of government, in universities, colleges and hospitals, and in other nonprofit institutions. A few of us lead for-profit enterprises.

What we have in common is that our organizations and businesses are unlikely to ever become unmoored from the neighbourhoods and communities in which they were established. That’s why they’re called “anchor institutions.” We have economic clout – and the responsibility to reduce poverty and the potential to build community wealth that comes with it.

Maybe like you, we think it’s time to give more oxygen to solutions than problems. So, we’ve been looking around the world for others who are experimenting with strategies and mechanisms to create more decent work and share prosperity.

In places like Cleveland and Glasgow, we’ve found people who are busy negotiating Community Benefits Agreements with developers and officials responsible for public infrastructure projects. These enterprising leaders are working on better procurement strategies, workforce development hubs, and collaborations with organizations that engage, train and support workers in low-income communities. They’re mounting “buy local” campaigns and promoting worker-owned businesses and co-ops.

“We’re seeing signs of real progress in these cities, and they’ve helped us see the potential for progress in ours.”

We’re seeing signs of real progress in these cities, and they’ve helped us see the potential for progress in ours. That’s why the Atkinson Foundation commissioned a series on community wealth building strategies from the Mowat Centre, starting with a paper on anchor institutions and a second one on community benefits agreements. Think of this information as briefing notes for an important mission – one that sets your sights higher than your institutional mission and on the day when a province is known as prosperous because its economy is inclusive.

This is not a new mission even though the way we’re thinking about it is new. Consider health care, employment insurance and pensions along with greater gender, racial and marriage equality. In each case, people successfully challenged the belief that inequality is a natural condition with a clear political choice arising from a progressive vision for the country. They had a shared ambition that was, in the end, stronger than cynicism, private interests and institutional inertia.

The Atkinson Foundation’s ambition is anchored in tough challenges and choices like those faced in the last century. Joseph Atkinson was a frequent media commentator during the public infrastructure boom that gave future generations the Bloor Street Viaduct and a modern water sanitation system among other civic improvements. In his op-eds for the *Toronto Star*, Mr. Atkinson advocated for Ontario’s young cities and towns as the best “spot” for investment. He encouraged investors to place their bets locally for the biggest returns.

Perhaps the first choice we’re asked to make is whether or not we’ll stand with those whose investments demonstrated that their generation cared about the next. We hope you’ll choose to join us in the continuing pursuit of an equitable, inclusive and prosperous Ontario.

Colette Murphy
Atkinson Foundation

August 2015

1 INTRODUCTION

“At a time of increased public debt and renewed promises to tackle poverty in Ontario, anchor strategies offer an opportunity to leverage existing public funds and assets to address these ambitious objectives.”

By every standard measure, Ontario is a prosperous province. As recently as 2012, Ontarians experienced the highest increase in average household wealth in Canada – eight per cent over the previous year. Households in the Toronto Region fared even better, growing their wealth more than nine per cent to achieve an average household net worth of \$617,000.¹ A majority of Ontario’s 13.6 million residents enjoy an enviable standard of living.

This is not the reality, however, for a sizeable minority of Ontarians who are disproportionately young, new to Canada, and from racialized communities.² Access to opportunity and wealth is far from equitable. Youth unemployment in Toronto is nearly three times the average regional rate. Jobs are increasingly precarious, while the housing market has been designated as “severely unaffordable.”³ If nothing changes, the share of low and very low-income neighbourhoods in the city is expected to climb to 60 per cent by 2025.⁴

Ontario and Toronto are not exceptions. In most parts of the world, income inequality is growing, while access to opportunity is shrinking.⁵ Ongoing and significant changes in the structure of the Ontario, Canadian and global economies mean that more people are falling behind even as global wealth increases.

Community wealth building is an encouraging response to this situation. This approach builds local assets and leverages them to create a greater supply of decent work and other economic opportunities.⁶

Anchor institutions – large public or nonprofit institutions rooted in a specific place, such as hospitals, universities or municipal governments – have significant roles to play in community wealth building. They are among a region’s biggest employers and purchasers of goods and services. Anchors also tend to have significant fixed assets, endowments and real estate holdings that can be used to drive economic development – economic power that translates into a specific “anchor mission.”

An anchor mission is the deliberate and strategic use of resources to benefit communities, especially low- and moderate-income neighbourhoods or historically disadvantaged groups. It is the conscious anchoring of capital, jobs and other opportunities locally. When pursued in tandem with their core missions (e.g. education, health care), anchor institutions have the potential to make their communities stronger by every measure.

This report is timely for a number of reasons. At a time of increased public debt and renewed promises to tackle poverty in Ontario, anchor strategies offer an opportunity to leverage existing public funds and assets to address these ambitious objectives.

This research also supports anchor institutions in the Toronto Region and across Ontario that are considering the community wealth building approach, as well as of those already grappling with challenges arising from their new institutional efforts. Given the number of successful anchor strategies that have emerged in the U.S. over the last decade, the time is right to examine best practices and apply lessons learned to Ontario.

This paper begins by offering a more detailed explanation of anchor institutions and strategies ('anchor mission' and 'anchor strategies' are used interchangeably throughout the report), followed by examples of well-established anchor missions in the U.S. It then looks at the current landscape and economic potential of anchor strategies in Ontario and analyzes five key issue areas and enabling strategies to overcome challenges. The conclusion describes next steps in anchor strategy development in the Toronto Region and Ontario.

ANCHOR INSTITUTIONS AND ANCHOR MISSIONS: A DEFINITION

Anchor institutions are large public or nonprofit organizations – such as hospitals, universities or municipal governments – that are rooted in community. An anchor mission is the process of deliberately deploying the institution's long-term, place-based economic power to strengthen a local community, especially neighbourhoods where people facing historic and other barriers to economic opportunity live.

While anchors can deploy different community wealth building tactics, much of this paper is focused on the issues and opportunities associated with how and where institutions spend their money. In Ontario, universities and hospitals alone spend \$9.9 billion procuring goods and services annually. Given this scale of spending, it is evident procurement is among the most important levers anchors have to advance community wealth.

Additionally, though communities, social purpose organizations, advocacy groups, foundations, research institutes, private businesses and others all have important roles to play in anchor strategy development, much of the initiative and groundwork must necessarily come from the anchors themselves. For this reason, the report focuses on challenges and opportunities facing anchor institutions.

A NOTE ON METHODOLOGY

This research is informed by interviews conducted with 17 senior executives at 13 different organizations, including anchor institutions, foundations, research centres and community organizations in the U.S., Canada and the U.K.

2 ANCHORING INSTITUTIONS AND ROOTING OPPORTUNITIES

Most large public or nonprofit organizations with significant spending and employment power can be considered anchor institutions. Because such institutions are unlikely to leave their communities in search of opportunity elsewhere, their economic, human and intellectual resources remain rooted or ‘anchored’ in place.

Hospitals, higher-education institutions and municipal government are some of the most common examples of anchor institutions, but museums, libraries, schools and foundations act as anchors as well.

“Anchor mission building” is the process of deliberately deploying long-term, place-based economic power to strengthen a local community, especially one that is low income or experiencing barriers to economic opportunities. An anchor mission consciously links institutional objectives to the health and wellbeing of surrounding communities.

A number of strategies that leverage institutional assets can be undertaken as part of anchor mission building. Common anchor strategies include:⁷

- Directing a greater percentage of purchasing power toward local vendors.
- Hiring a greater percentage of the workforce locally.
- Providing workforce training for people needing assistance in the community.
- Incubating the development of new businesses, including social enterprises as well as nonprofits.
- Leveraging real estate development to promote local retail, employer-assisted housing, and community land trusts.
- Using pension and endowment funds to invest in local job creation strategies and to provide community venture capital for nonprofits, entrepreneurs, and employee-owned firms.

Municipal governments can further leverage planning and tax-levying powers as part of their anchor missions. Naturally, as more anchors adopt these strategies, coordinating efforts among anchors and other organizations participating in local economic development offers the potential for greater returns and community benefit.

The idea that anchors should play an active role in community development is not new. However, support for anchor mission building has grown over the last decade in response to challenges brought about by global economic restructuring and the reverberating effects of the 2008 recession.

These challenges — particularly the increased mobility of capital and labour — have left many North American urban centres in a state of decline. Stories of factory closings and entire towns left reeling from sudden massive job losses have been all too common in the recent past.

In contrast, anchor institutions are a source of 'sticky capital'. Unlike corporations, anchors inherently provide increased job security and greater stability for local businesses contracting with them by virtue of being rooted in the community. Accordingly, one of the key issues anchor missions address today is stabilizing communities in the face of growing economic uncertainty and the flight of capital.

3 ANCHOR MISSIONS IN ACTION

The past decade has seen an explosion of learning, experimentation and innovation in anchor mission building across the U.S. New strategies are continually being devised and tested, while a number of mature models have tracked outcomes, best practices and lessons for years.

The most successful of these experiments have led anchors to a new way of expressing themselves institutionally, focusing the breadth of their intellectual and business practices to benefit local areas. Three cases illustrate the scope of initiatives underway:

CASE #1: CLEVELAND UNIVERSITY HOSPITALS

In 2005, University Hospitals (UH) in Cleveland announced its *Vision 2010* strategic growth plan. Working closely with the mayor's office and local building trade unions, UH set out to include as many minority and female-owned businesses as possible in its \$1.2 billion (USD) development. The *Vision 2010* plan also sought to direct as much spending as possible to business based in Cleveland and Northern Ohio and achieve a 'new normal' for purchasing at the institution. UH established clear targets to drive this strategy, for instance, to award 15 per cent of contracts to minority businesses and procure 80 per cent of goods and services from regional firms.

UH achieved and even surpassed three of its four targets through a number of ground-breaking initiatives. First, with the help of the City of Cleveland, UH negotiated a Project Labour Agreement (PLA) requiring 20 per cent of contracted labour to be based in Cleveland. The PLA also recognized the creation of joint ventures between unionized and non-unionized contractors that allowed for greater participation of smaller local business. Second, UH devised a number of strategies to increase local business participation by dividing bids into smaller components and including new procurement rules requiring all purchases of more than \$20,000 (USD) to have at least one bid from a local, minority-owned firm.⁸

Beyond the *Vision 2010* project, UH has continued to use its enormous spending power to fulfil its pledge to drive more jobs and business to the Cleveland area. In 2013, UH extended the timeframe of its medical supplies contract to 10 years and increased its value to \$75 million (USD), with the stipulation that some part of the winning proponent's operations must be moved to Cleveland. The strategy worked, encouraging a Fortune 500 medical supply company to relocate a distribution centre to the area. The new centre will generate upwards of 60 jobs in the coming years.⁹

CASE #2: MIAMI DADE COLLEGE

Miami Dade College (MDC) is an early leader in the community wealth building movement and an innovator in demonstrating the potential of anchor strategies. More than twenty years ago, in 1994, the community college launched the Office of Minority and Small Business Enterprise, with the goal of enhancing small, minority and female-owned business access to on-campus procurement contracts.

MDC has adopted a number of measures in support of greater economic inclusivity, including a policy that incentivizes set asides (non-competitive contracts) and mandatory subcontracting of minority and small businesses.¹⁰ MDC has also effectively used “reverse tradeshows,” in which the procurement department pitches contracts to targeted vendors, instead of the other way around. As a result, minority-owned and small businesses now obtain 20 to 27 per cent of total MDC procurement.¹¹

CASE #3: EVERGREEN COOPERATIVES

The Evergreen Cooperatives Initiative was launched in 2008 in Cleveland’s Greater University Circle (GUC) area as a large collaborative project between local foundations, city government, hospitals, universities and other area organizations.

Spearheaded by the Democracy Collaborative, an organization dedicated to advancing community wealth building strategies, it aims to create an economic breakthrough in communities adjacent to the GUC in which more than 25 per cent of the population is unemployed and median income is less than \$18,500 (USD).

The partnership approach has helped achieve greater scale and economic impact. In just a few years, the model has spurred three cooperative businesses, including a laundromat, a solar panel instalment company, and a greenhouse. At their height, the three cooperatives are expected to generate 140 to 150 new jobs, all paying a living wage, with health benefits and an ownership stake.

To ensure the success of the three ventures, the cooperatives have been closely linked to the supply chains of area anchors, many of which have made commitments to purchasing from at least one Evergreen cooperative on a long-term basis. While these large institutional clients have already helped place Evergreen on firmer financial footing, some GUC anchors have required select contractors to also purchase from the co-operatives as a condition of doing business with the anchors. These efforts have contributed to a more diverse, equitable and local supply chain in the Cleveland area.

4 POTENTIAL OF ANCHOR STRATEGIES IN ONTARIO

“In 2011, universities in Ontario spent \$4.2 billion annually contracting goods and services, including construction, while hospitals spent \$5.7 billion on goods and services alone.”

Commonly, anchor institutions view themselves as serving a core mission such as furthering education or promoting public health. This mission gives them their identity as well as their purpose. It drives organizational behaviour and decision-making at all levels and is held in tension with budgetary realities.

Often, however, anchors also provide the most significant employment and career opportunities or act as the single biggest purchaser of goods and services in a city or region. As the cases throughout this paper suggest, ‘local economic engine’ is an identity that many anchors have embraced, especially those in the US. Leading anchors are expanding their priorities to include community wealth building strategies as part of local, sustainable and inclusive economic development.

The potential of such a shift in purpose is clear. In 2011, universities in Ontario spent \$4.2 billion annually contracting goods and services, including construction, while hospitals spent \$5.7 billion on goods and services alone.¹² Toronto’s municipal government, meanwhile, spends on average \$1.5 billion annually on procurement.¹³ Diverting just two per cent of these expenditures to local small business and community development efforts could inject almost \$230 million into local communities.¹⁴

As an employer, the broader public sector is responsible for 300,000 jobs in health and social services and nearly as many in elementary and secondary schools. Another 133,000 people work at colleges and universities, while the Ontario Public Service and municipal governments together employ 180,000 individuals.¹⁵ Combined, these anchors account for roughly 13 per cent of the provincial workforce.¹⁶

Importantly, jobs at these institutions tend to offer decent work – greater security and better wages and benefits at a time when employment in Ontario is becoming more precarious. While job precarity has been shown to affect all income levels, people earning lower incomes and working precarious jobs are inherently worse off.¹⁷

Greater efforts to bridge those in low-income and historically disadvantaged communities to jobs at anchor institutions could move many people into more secure work and help stabilize households. Such efforts have been successfully undertaken at a number of institutions including University Hospitals in Cleveland, which connects local low-income residents to entry-level positions at the hospital through the *Step Up to UH* program. Besides linking potential candidates to job openings, the program also delivers soft skills training and other customized supports. So far, *Step Up* has achieved a 98 per cent job retention rate and has helped the hospital reduce hiring process time.¹⁸

As these numbers and examples illustrate, anchor institutions represent a great source of (mostly) untapped capital and human resources for community wealth building. Deliberately directing just a fraction of this vast economic potential to such efforts could dramatically improve the circumstances of many struggling Ontario households.

5 ANCHOR STRATEGIES IN THE TORONTO REGION

The current landscape of anchor strategies in the Toronto Region is marked by experimentation and growing excitement about the potential of this work to have a positive social and economic impact on communities. While this paper takes into account the experiences of only a few institutions with active anchor strategies, our interviews revealed that similar ideas are taking shape at other anchor, advocacy and community organizations.

The cases that follow highlight the diversity in current anchor strategies and their trajectories:

- At Ryerson University, a desire to improve food quality led to a new locally-driven supply chain.
- At the City of Toronto, a series of smaller successes in diversity hiring and procurement set the stage for an innovative social procurement framework and Public Sector Social Procurement Community of Practice.
- At the University of Toronto Scarborough (UTSC) a large redevelopment project presented an opportunity to meaningfully engage the community.

“We’ve been able to meet the targets we set on local and sustainable sourcing, and seen some really early and great impacts. ‘Mom and Pop’ producers are able to deliver what we need, while we’re able to put them on financially sustainable footing.”

— JULIA HANIGSBURG,
former Vice-President of Administration
and Finance, Ryerson University

CASE STUDY #1: RYERSON UNIVERSITY FOOD SERVICES

Ryerson University, located in Toronto’s urban core near Dundas Square, is home to 40,000 students and more than 2,400 faculty and administrative staff. As a large and growing institution, Ryerson had struggled for a number of years to provide quality food at reasonable prices. On-campus surveys also indicated that staff and students desired better tasting food that is locally and sustainably sourced.

When it came time to launch a new food-management contract, Ryerson seized the opportunity to introduce aggressive targets for local and sustainable sourcing (as defined by the institution), requiring 25 per cent of food delivered in the first year to be locally and sustainably sourced, with this target growing by two per cent each subsequent year of the contract. Though the targets were perceived as somewhat of a risk to attracting qualified proponents, the response from food-management groups was strong, with all major groups placing bids.

Over the past year, Compass, which won the contract, has worked closely with Ryerson to achieve the set objectives. This has led to a number of changes at Compass, including extended payment cycles and quality approvals processes, to make it easier to work with smaller vendors. By essentially outsourcing its local procurement objectives to Compass, Ryerson is creatively bypassing a number of regulatory and operational issues to the private firm, which operates outside the

confines of broader public sector procurement rules. For Compass, it also means new business from a large institution and a chance to develop a competitive advantage over similar service providers.

CASE STUDY # 2: CITY OF TORONTO

“For government, effective procurement should also be measured by social, environmental, and other benefits to the community. Balancing price with these qualitative dimensions is at the head of effective best-value procurement in the public sector. In other words, procurement practices are an important way of putting a government’s policies and priorities in actions.”¹⁹

— THE HONOURABLE MADAM
JUSTICE DENISE E. BELLAMY,
Ontario Superior Court Judge

From Fair Wage in 1893 to No Sweatshops in 2006, the City of Toronto has pursued social development goals through procurement at numerous times throughout its history. Most recently, with impetus given by council’s commitment to diversity and a series of smaller local hiring and purchasing initiatives, the City is building a Social Procurement Framework to “expand traditional understanding of ‘best value’ for public spending to include the generation of positive social benefits.”²⁰ City Council approved the action in May 2013 and has included the Framework as a key development in its 2013-2018 Strategic Action document.²¹

Through the Social Procurement Framework, Toronto will seek to add more small, minority-owned and social enterprises to its vendors list and increase access to economic opportunities for underemployed and unemployed residents in disadvantaged communities. To that end, the City recently became the first government member of both the Canadian Aboriginal and Minority Supplier Council and Women Business Enterprises Canada.²² Eight pilot projects are underway as part of the new framework. They will inform a final version of the policy to be introduced for Council’s approval in 2015.

In addition, the City has partnered with the Atkinson Foundation to co-host a Toronto-based “community of practice” for public sector social procurement. The group brings together leaders from municipal and provincial government, post-secondary institutions and transportation organizations to identify key challenges, share ideas and find solutions for implementing social procurement. Together, these institutions are examining how their spending power can help the city, and how a broader anchor mission can work in their respective fields.

As it undertakes this significant policy change in procurement, the city is also experimenting with other tools to bring economic opportunity to struggling communities. One such tool is the Imagination Manufacturing Innovation Technology (IMIT) tax-deferral program for land development, which supports new building expansion in targeted areas of the city. The idea to leverage IMIT originated from the Woodbine Live! development in 2007, in which a community coalition won hiring and training benefits from the developer receiving IMIT assistance.

Though the 2008 recession put a stop to the Woodbine development, the idea of connecting underemployed and unemployed residents to emerging opportunities through the program stuck. So far, the initiative has engaged with 15

employers and has achieved high-profile success through the Ripley's Aquarium development, in which 10 per cent of the workforce has been hired from priority neighbourhoods.

CASE STUDY #3: UNIVERSITY OF TORONTO SCARBOROUGH

University of Toronto Scarborough (UTSC) Master Plan infrastructure initiative seeks to make UTSC the intellectual, cultural and employment hub of the region through increased community participation in the development process.

Indeed, with construction alone projected to create 2,500 full-time equivalent jobs with salaries of nearly \$228 million from 2012 to 2019, the potential economic benefits for local residents - who on average experience greater unemployment than other GTA residents - are significant.²³

The Master Plan's community-building focus has led to a number of anchor strategies at UTSC:

- In new buildings, which are not subject to existing contracts with food service providers, the university first offers smaller vendors a chance to set up shop. The vendors then hire from the local community and student body.
- UTSC has also introduced the Hammerheads program, an initiative that gives at-risk youth a 16-week intensive experience in construction and trades with a guaranteed job placement upon graduation. Though only recently launched, the University's experience has been so positive that UTSC is exploring having Hammerheads become a contractual requirement for all future construction projects.
- Together with the East Scarborough Storefront (The Storefront), a community organization that UTSC has partnered with on various training and learning programs, the university is taking steps towards a workforce development program that will connect local residents with skills and interest in construction, with job opportunities at UTSC. A database of local residents with construction experience is being developed as a first step.

While these examples present promising developments, a myriad of legal, cultural and financial challenges stand in the way of scaling initiatives and securing gains. Furthermore, as early adopters of anchor strategies, these and other institutions are working in a mostly ad hoc and isolated manner,

resulting in missed opportunities. Given these challenges and the growing level of interest in anchor strategies, the time is now right to bring more focus to anchor mission building in Toronto and Ontario.

6 CHALLENGES AND INSIGHTS

“We’re at a time of increasing urbanization with more stress on cities and states, and anchors are starting to recognize that helping to address urban challenges and opportunities can also support their core mission.”

— DEREK DOUGLAS,
VP for Civic Engagement, University of Chicago

Anchors face many real and perceived challenges in anchor mission building. This section focuses on five major issue areas – culture change, the legal context, community and business capacity and access, the role of evidence and greater system tensions – and offers insights to support strategic decision making and overcome obstacles.

1. CULTURE CHANGE

ISSUE

The first challenge anchor institutions face in developing anchor strategies is thinking of themselves as such. As a number of our interviewees pointed out, most institutions see themselves predominantly in terms of the main benefit they deliver to society, such as education or health care, and not as engines of local economic development. Taking on this new identity and accepting the role and related responsibilities is the first important shift in mindset for key leaders.

Once the idea of an anchor mission is planted, institutions face the challenge of determining its fit within existing institutional priorities, including achieving greater cost-savings and delivering efficient services at the lowest possible risk. While anchor strategies are not necessarily at odds with these priorities, they are likely to have repercussions that might increase both risk and cost in the short term.

This leads to further questions about the perceived financial and administrative burdens posed by the new strategies, which should not be understated but are often misunderstood. The notion that new strategies might make the anchor or region less competitive is a common fear. For example, institutions might worry that new objectives or targets could attract fewer qualified suppliers, lead to cost pressures or reduce quality.

INSIGHTS FROM EXPERIENCE

- **Senior leadership and champions are essential to success:** Trying to change long-standing practices and perspectives in a large, risk-averse bureaucracy raises challenges and resistance. Engaged senior leaders are needed to push through procedural and cultural barriers.
- **Seize early opportunities for anchor mission building:** It is much easier to develop an anchor mission at the start of a process than to reverse-engineer it later. Big redevelopments, such as those undertaken by UTSC, or new vendor contracts offer windows to embed anchor missions and institutionalize new practice.

- **Develop a business case for new strategies:** A recent publication by the Anchor Institution Task Force in the U.S. confirmed that anchors must realize returns on their investments in order to sustain regeneration efforts.²⁴ Our interviewees also highlighted the importance of engaging the business interests of anchors in order to achieve buy-in from leadership.
- **Help draw a direct connection between institutional and community priorities:** Establishing a link between employment and health outcomes helped University Hospitals entrench its anchor mission. The idea that people with stable jobs are healthier and take better care of themselves, which eventually leads to less need for acute care and chronic disease treatment, helped the institution see the importance of investing in the local community.
- **Start small and build on proven concepts:** Not every institution will have a multi-million-dollar redevelopment around which to build an anchor mission. Slowly collecting evidence of what works and then using it as leverage to move to bigger things was a strategy that helped the City of Toronto not only learn from its past experiments in social procurement, but also to move the idea across the organization.
- **Set targets:** Targets can be highly effective in galvanizing support around an anchor strategy. Over the course of its \$1.2 billion (USD) expansion from 2005 to 2010, University Hospitals set highly visible targets (including having 80 per cent of contracts awarded to local suppliers), which helped promote the strategy, focus efforts to achieve goals and eventually helped institutionalize new ways of conducting business.

While setting targets is often useful, one of our interviewees also pointed out that it is equally important to consider the intangible measures of success, such as changing institutional mindsets, around which targets cannot be easily built.

2. THE LEGAL CONTEXT

ISSUE

Procurement is one of the most important tools anchors have to support local economies. Social procurement strategies - those that create social and economic value by supporting historically disadvantaged communities or small businesses, for example - can have far-reaching benefits including lower unemployment and greater innovation.

In Ontario, public procurement exists within a well-established operating

system, which at its core is driven by low bid outcomes, transparency, efficiency, and fairness. These key principles are enshrined in international trade treaties and cascade down to regional agreements and the broader public sector. A number of statutes and codes also protect the rights of individuals and business against discrimination in commercial transactions.

For this reason, introducing social procurement criteria within the existing operating system can lead to a disproportionate level of complexity and risk in contracting, given that such criteria must be defensible from a public policy and legal perspective.

But there are options, and some legal issues are less problematic than they appear. Anchors have plenty of room - particularly with contracts under a certain dollar threshold, as set out by trade treaties - to experiment with social procurement while still achieving efficiency and fairness.

INTERNATIONAL TRADE AGREEMENTS

Canada's various international trade agreements require that public tenders be administered through a fair and transparent process and prohibit favouring the products or services of one region over another.²⁵

These principles are consistent with how municipalities and the broader public sector already treat business - existing tendering processes are designed to be fair, competitive and transparent. However, "because of various exemptions and exceptions that remove municipalities from the coverage of those agreements in many circumstances,"²⁶ municipalities are able to depart from these principles without incurring penalties. The same goes for provincial government and broader public sector procurement. More importantly, because there are no enforcement mechanisms that apply to municipal or provincial procurement within international trade agreements, the agreements are considered more policy instruments than hard laws at the sub-federal level.

In other words, Canada's current international trade framework does not strictly forbid sub-federal entities from favouring local suppliers. This could all quickly change however with the introduction of the Comprehensive Economic Trade Agreement with the EU, which would, for the first time, bind municipal and provincial government to requirements set out in an international trade agreement.

BROADER PUBLIC SECTOR PROCUREMENT DIRECTIVE

In Ontario, healthcare and higher-education organizations are further subject to the Broader Public Sector (BPS) Procurement Directive, which sets out rules and responsibilities for buying within these institutions. The BPS procurement directive itself is bound by two internal trade agreements: the Agreement on Internal Trade (AIT)²⁷ and the Ontario-Quebec Trade and Cooperation Agreement.

“It’s not for the faint of heart.
But if you’re successful the
payoffs are enormous.”

— TED HOWARD,
Democracy Collaborative

Though the agreements require equal access to public sector purchasing, this is mandatory only for goods and services contracts of more than \$100,000.²⁸

In reality, the bigger challenge to more inclusive procurement posed by the BPS directive is its focus on cost-savings and efficiency. Currently, mandatory criteria relating to proponent selection state that “maximum justifiable weighting must be allocated to the price/cost component of the evaluation criteria.”²⁹ This requirement gives larger suppliers with economies of scale an advantage over smaller businesses. It also significantly limits the extent to which anchors in Ontario are able to re-imagine their supply chains as tools for social development.

ONTARIO HUMAN RIGHTS CODE

Though some interviewees expressed an interest in targeting more minority- or female- owned enterprises, they felt the objective would run contrary to Canadian values (enshrined in the *Human Rights Code* and the *Charter of Rights and Freedoms*) and were uncertain of the legal framework that would uphold such efforts. The *Ontario Human Rights Code* protects equal rights and opportunities and prohibits discrimination in, among other things, employment and contracting based on age, gender, race or creed.

However, Section 14.1 of the *Human Rights Code* permits the implementation of ‘special programs’ designed to relieve hardship of historically disadvantaged groups. Several organizations exist to support this purpose, including the Canadian Aboriginal and Minority Supplier Council (CAMSC), which certifies and helps businesses connect with opportunities in the Canadian market. The City of Toronto has recently become one of the first public sector CAMSC members as it moves forward with its social procurement framework.³⁰

ONTARIO DISCRIMINATORY BUSINESS PRACTICES ACT

The *Ontario Discriminatory Business Practices Act* also protects individuals from discrimination, specifically in commercial activity. Unlike the Human Rights Code, it also cites discrimination based on geographic location and contains no provisions for ‘special programs.’

Given extremely limited case law and vague wording concerning its applicability to “governmental agenc[ies]” - which may or may not include institutions such as hospitals and universities - the Act is considered a “genuine legal grey area”³¹ and has raised many, mostly unfounded, concerns within Ontario’s broader public sector.

In the very few cases the Act has been invoked since its enactment in 1978, none have been related to procurement. According to the Ontario Ministry of Government and Consumer Services, the ministry responsible for enforcing

the Act, the intent of the legislation is to protect fundamental human rights in accessing goods and services without discrimination, rather than to oversee and safeguard current procurement practices.

Though the lack of clarity and precedent have made the *Ontario Discriminatory Business Practices Act* the source of much anxiety, in practice, introducing social procurement criteria appears unlikely to contravene the Act.

INSIGHTS FROM EXPERIENCE

- **Understand where the misconceptions lie and choose the path of least resistance:** Though trade agreements are frequently cited as barriers to increased local buying, a considerable amount of leeway does exist. The AIT (with which the BPS directive is in accordance) only prohibits local preference for contracts above \$100,000 for goods and services or \$250,000 for construction. It also contains a number of exemptions that could be leveraged to award larger contracts to local suppliers.³² Specifically, exemptions exist around “affirmative action programs for disadvantaged groups,” “regional economic development” and “protection of the environment.”³³

Justifying social criteria, which are outside of the existing public procurement operating system, can be onerous for both the institution and prospective suppliers (especially smaller ones), leading to delays and blown budgets. Instead, introducing social criteria to contracts under the set thresholds is an effective and efficient way of achieving social objectives without adding more complexity to existing procurement processes.

- **Consider ‘local knowledge’ criteria:** Requiring ‘local knowledge’ for a specific project can be a justifiable way to target more local firms, because it does not preclude those outside the local area from bidding on contracts. This approach has been used by several jurisdictions in Canada, both successfully and unsuccessfully. Anchors should carefully consider the criteria - it must be a legitimate and defensible operational requirement - to avoid accusations of veiling local preferences.
- **Develop tools to guide procurement efforts:** Cheshire West and Chester Council in the UK commissioned the Centre for Local Economic Strategies (an independent research body) to develop a framework that would encourage procurement officers to buy locally by helping them navigate perceived legal barriers and opportunities to increase local spend. The framework also helps to reposition thinking of procurement from a purely transactional activity to one that aims to increase social and economic benefit.³⁴

“As a starting point in Ontario, the provincial government could convene anchors, community organizations and other relevant parties to launch a dialogue about unlocking the potential of anchor strategies in the province.”

- **Work with large suppliers to achieve your goals:** The Ryerson University case (see page 13) illustrates how institutions can creatively bypass local preference issues by requiring the large suppliers they contract to engage with smaller, more local or diverse suppliers. Requiring ‘local knowledge’ can also encourage larger, non-local suppliers to partner with smaller firms in the community. Because of the contract size, large suppliers have a clear financial incentive to adapt their existing business practices to keep or obtain new business.
- **Demand greater clarity of the Ontario Discriminatory Business Practices Act:** Even though the legislation presents relatively little risk to anchors pursuing social procurement, no institution wants to be the test case in an ill-defined legal context. Anchors should demand the Ministry of Government and Consumer Services provide more clarity regarding the intent of the Act, or obtain an advanced judicial interpretation if necessary.³⁵
- **Use ‘local’ as a tiebreaker:** A number of municipal governments, including the City of Ottawa, use the local criterion as a tiebreaker between two otherwise equal bids.³⁶ This small step can help socialize the idea, expose the anchor to more local business and foster other experiments.
- **Advocate for more government leadership:** Leadership and support from the government signifies a commitment to a new way of thinking and can free anchors to take more innovative procurement approaches. In other jurisdictions, governments have established clear policies that promote social procurement and community engagement.

For example, companies that do business with the U.S. federal government must meet supplier diversity requirements for sub-contracting to small and minority-owned business. In the City of London (U.K.), the City Procurement Project provides access to local supplier databases and guidance through in-person meetings and published toolkits. Britain’s Social Value Act, though lacking clear definitions or infrastructure for social procurement, nevertheless provides objectives enshrined in legislation that procurement departments can use to facilitate the introduction of social objectives into their processes.

As a starting point in Ontario, the provincial government could convene anchors, community organizations and other relevant parties to launch a dialogue about unlocking the potential of anchor strategies in the province.

3. COMMUNITY AND BUSINESS CAPACITY AND ACCESS

ISSUE

The way large public institutions deal with purchasing goods and services is often at odds with the way small businesses operate. In pursuit of cost and efficiency savings, anchors typically issue large contracts on which small and medium-sized businesses do not have capacity to bid.

Request for Proposal (RFP) language and processes are also complex and time consuming for smaller businesses, some of which may need to hire consultants or take time off to complete proposals. Another common challenge is the contract payment cycle, which is often too slow for some small and medium firms.

Issues arise on the workforce side, as well. For example, anchors might be willing to hire more locally but can face issues of under-qualified or under-skilled local labour. Often, local residents are fully qualified but lack Canadian credentials. Others might not have means by which to access the anchor because of inefficient public transit. In other cases, the tendency of current employees to stay longer in their roles because of economic uncertainty or limited advancement opportunities can limit the number of employees the institution is able to hire.³⁷

INSIGHTS FROM EXPERIENCE

- **Unbundle contracts:** For its \$1.2 billion (USD) redevelopment project, University Hospitals in Cleveland tiered contracts into small, medium and large categories and offered contracts as small as \$20,000 (USD) to encourage more bids from small business.³⁸ A report from a Canadian construction association found that there is little evidence that cost savings can be achieved through bundling construction contracts.³⁹ Very large contracts, which only a select few firms have the capacity to bid on, also lead to reduced competition. For many anchors, however, unbundling is often at odds with streamlining priorities that many procurement departments face.
- **Simplify tender processes:** Supply Chain Ontario has been working for the past couple of years to make the government procurement process more accessible to small business, from simplifying language to increasing process transparency. Electronic submission of documents is also expected to create a more inclusive and equitable playing field for vendors based outside the Toronto area. These new systems are currently being tested and will eventually be rolled out to the broader public sector.

Procurement departments at the province and the City of Toronto also host regular information sessions to help prospective vendors navigate the tendering process.

- **Support local business to build capacity:** Anchors have deployed numerous strategies to help build business capacity including training, education and financial investment, as well as strengthening nonprofits that support local businesses. One of the most successful examples is Portland State University's Business Outreach program, which offers technical assistance to women and minority-owned businesses in low-income communities. Since 1994, it has supported 420 businesses and led to the creation of 146 jobs from 2006 to 2010.⁴⁰ The school also boasts a leadership training program and an incubator space. Another example is the Contractors Assistance Centre, which provides technical and capacity building assistance to local small businesses to increase their ability to compete for the San Francisco Public Utilities Commission and City contracting opportunities.⁴¹
- **Work with partners to strengthen efforts:** In many cases, anchors rely on partnerships with workforce or business development organizations to help communities access or build capacity to engage in opportunities offered by the anchor. For example, in launching its U Chicago Local initiative, the University of Chicago formed a referral partnership with 741 Collaborative Partnership, a nonprofit collaborative of 10 workforce development agencies that help reach out to, train and connect Chicago's South Side residents to jobs at the University and in the surrounding community.⁴²
- **Anticipate areas of future need:** At the Cleveland Clinic, management realized that many of its employees in the skilled trades were approaching retirement age. Other anchors in the area had the same issue. This has led to a collaborative initiative among anchors to develop apprenticeship programs with local vocational high schools.
- **Develop opportunities to advance incumbent employees:** As part of its over-arching anchor mission, University Hospitals in Cleveland has developed two internal career-advancement programs, one to promote high-potential staff into leadership positions and another for those who are despite their credentials underemployed. In doing so UH is able to create more space for new and entry-level hires.
- **Learn from the private sector:** In Canada, the private sector has been a leader in supplier diversity initiatives. In the last ten years, Canadian Aboriginal and Minority Supplier Council corporate members have spent more than \$1.2 billion with certified aboriginal and minority-owned

“To deploy potential anchor initiatives, institutions first need a sound business case and an understanding of the communities with which they wish to work.”

businesses.⁴³ There is a wealth of learning to be shared from these efforts, which would help public institutions adopt proven or best-practices in supplier engagement and capacity building.

4. THE ROLE OF EVIDENCE

ISSUE

Evidence plays a huge role in anchor strategy development. To deploy potential anchor initiatives, institutions first need a sound business case and an understanding of the communities with which they wish to work. Anchors also require knowledge of how their current practices benefit or overlook those communities. Furthermore, as anchors design and implement their strategies, they must establish the right indicators to track impact. Each of these areas carries a set of unique challenges.

Better understanding of how an anchor strategy could positively affect the institutional bottom line is critical to incentivizing anchor action and sustaining long-term involvement. While many anchors struggle with real budgetary constraints, assumptions about the cost of implementing anchor strategies get in the way of adopting practices that could actually support the institution’s financial goals. For example, though the idea of social procurement can seem costly in the short term, the private sector has demonstrated that it often leads to improved service delivery and value for money.⁴⁴

With respect to impact measurement, anchors and communities have employed relatively straightforward tracking methods, such as counting the number of direct jobs generated or the amount of purchasing dollars diverted to local suppliers. However, in some cases, evidence collected by anchors can be perceived as biased or difficult to verify. When this happens, trust between the anchor and the community is eroded.

Furthermore, developing the right indicators to measure broader impacts and ultimately drive strategy presents a highly complex challenge. For instance, anchors have struggled to account for those leaving distressed communities as a result of success incurred through the institution’s efforts. Factoring in the effects of gentrification and rising property taxes as a result of real estate and other infrastructure development also poses significant problems for evaluating success. In terms of social procurement strategies, one study suggests that whether they “create net gains in jobs and economic activity or simply ‘rob Peter to pay Paul’ by moving jobs from one place to another” is still not understood.⁴⁵

According to our interviews and anchor literature, the answers to these questions remain largely elusive. At present, few tools and techniques exist to help anchors assess their impact, particularly on people who live in low-income neighbourhoods.⁴⁶

INSIGHTS FROM EXPERIENCE

- **Develop measures with broad stakeholder input:** Working with a range of community stakeholders, including other anchors, public and community leaders, businesses and others can facilitate learning through a community of practice and lead to the creation of better indicators and outcome measurements. It can also help establish shared responsibility and increase the chances of achieving sought outcomes. A comprehensive guide to establishing appropriate indicators and outcomes can be found in the Democracy Collaborative's Anchor Dashboard.⁴⁷
- **Establish a baseline by measuring leakage:** A number of jurisdictions have used leakage analysis or leakage calculators to determine the amount of spend that 'leaks out' of the local economy. For example, in Preston U.K., research by CLES found that for six local anchors with a collective spend of 750 million pounds, only 10 per cent was spent within the local authority boundary.⁴⁸ In the U.S., the Business Alliance of Living Local Economies has developed an online leakage calculator that uses U.S. census data to determine where economic development efforts should be targeted.⁴⁹ The cities of Newark and Philadelphia have gone a step further by analyzing both institutional spend and local manufacturing capacity, and identifying targeted opportunities for growth.
- **Employ third-party organizations to help with evaluation:** University Hospitals in Cleveland engaged a third party monitoring firm, Minority Business Solutions, to measure progress and ensure its strategy to increase contracts awarded to minority-owned and local businesses stayed on track. Engaging a third party not only helps build evaluative capacity but also establishes transparency around the process and demonstrates the institution is "walking its talk."⁵⁰

5. SYSTEM TENSIONS

ISSUE

The larger system in which anchors operate and interact with others - including communities, governments and other anchors - leads to a number of tensions that affect anchor mission building.

“One thing I’ve learned is that public institutions may be risk averse, but when you get a bunch of them together they’re less so. They’re willing to do more.”

— DENISE ANDREA CAMPBELL,
Director, Social Policy, Analysis and Research,
City of Toronto

In Ontario, one of the key tensions is the relationship between the provincial government, which sets procurement mandates for institutions in the broader public sector, and the anchors themselves. The provincial government is itself subject to higher-order policies and legislation tied to various trade agreements that restrict local purchasing preferences.

But while examples in this paper have shown that such restrictions do not make it impossible to enact social procurement policies, it is clear that for anchor strategies to take hold, government needs to prioritize procurement as an instrument for local economic development. At the moment, there seems to be little initiative on either end to put such a priority in place.

The power imbalance between anchors and neighbouring communities is another important system tension. Anchors, for the most part, are large, rules-bound organizations with complex hierarchical and decision-making structures. Communities, by nature, are more dispersed and fragmented and often lack highly representative leadership.

As a result, most of the time anchor strategies are devised by institutions themselves and then sent out into the community - as defined by the anchors - for consultation. This power imbalance might be compounded by the size of the institution. As one interviewee explained, while his community organization was able to work effectively with a relatively smaller mental health hospital, making similar inroads with a larger hospital has taken 13 years and garnered fewer successes. Notions of power imbalances further seep through when the community is viewed as a “petri-dish,” in the words of another interviewee, or the anchor’s engagement is viewed as a charitable act.

A final key tension is that among anchors themselves. The idea that collaboration and alignment among anchors and anchor strategies has the power to scale individual efforts and maximize overall economic impact has gained much traction. In the U.S. where many anchors are also for-profit entities, collaboration can be especially difficult to encourage. While Ontario’s publicly funded system offers a great degree of insulation from competitive market forces, anchors remain fierce competitors when it comes to funding and grants from the public, private and philanthropic sectors. This competition for funding, people and other resources can create tensions and barriers to collaboration.

Aligning anchor strategies with broader economic strategies at the regional or national level poses yet another set of challenges. These include fragmented policy environments and little understanding of anchors’ economic powers.⁵¹

“My experience is that there very few organizations that understand themselves in a systemic context in the neighbourhood. You can’t influence an institution if you don’t see yourself that way.”

— ANNE GLOGER, Executive Director,
East Scarborough Storefront

INSIGHTS FROM EXPERIENCE

- **Broadcast the opportunity clearly and widely:** In some cases, a lack of awareness or transparency exists when it comes to available opportunities within anchor institutions. Anchors should pay close attention to ensuring that opportunities - hiring, business development, procurement, etc. - and their purpose are clearly communicated to the public. Such efforts would give communities a better chance to respond effectively, as one of our interviewees suggested.
- **Explore and develop meaningful partnerships with the community:** In 2011, University of Toronto Scarborough and The Storefront, along with other community organizations in the Kingston-Galloway/Orton Park region, embarked on a three-year exploration project to identify a range of potential areas of collaboration. The project established dedicated staff positions at UTSC and The Storefront to help connect organizational goals. The partnership has led to a number of successful projects (see related case study on page 15). Strategic directions for the next phase of the partnership include leveraging upcoming opportunities to build more social, economic and cultural opportunities.⁵²
- **Engage third parties to drive collaboration:** Neutral third parties have been instrumental in helping anchors work together. In Cleveland, the Cleveland Foundation has been credited with bringing together known rivals - University Hospitals and Cleveland Clinic - to develop joint anchor projects, alongside other institutions in the Greater University Circle. The foundation worked hard to find passionate people in these institutions and helped build various committees and sub-committees to institutionalize new practice. Although a case for binding agreements can be made, the foundation has stayed away from legal contracts for collaborative projects, instead preferring to rely on relationship building. As one interviewee said, “MOUs tell people what to do - it restricts flexibility and creativity”.
- **Employ systems thinking:** A number of our interviewees highlighted the importance of anchors and communities thinking of themselves as part of a broader system, and understanding the nature of their reciprocal relationships. Systems thinking can lead to increased ability to respond to opportunities and bring different organizations, communities and institutions together to develop space.

7 CONTINUING THE CONVERSATION

There is a growing awareness of anchor institutions and their role in equitable and inclusive economic development in Ontario. An important conversation is underway. What follows are some of the questions and key points on the table at this time.

How do we create sustainable anchor strategies?

- Successful anchor strategies are framed in terms of creating win-win situations for both communities and the anchors. A sound business case drives anchor mission building.

What is government's role in promoting anchor strategies?

- Government at all levels can help anchors by treating procurement as a local economic development tool. They can help anchors in the broader public sector balance mandatory cost-minimizing criteria with social procurement objectives.
- In the U.S. the federal government is beginning to take an active role in supporting anchor strategies through funding and other capacity building supports. Since the 1970s, the U.S. federal government has also required companies with contracts worth \$500,000 (USD) or more to have an approved Minority Business Enterprise subcontracting plan.

Now that a few institutions in Toronto are developing anchor strategies, how can these be leveraged to develop a coordinated agenda?

- We know that more anchors working together take projects to scale faster and maximizes community benefits. Given the collective platform for anchor efforts in Toronto, there is an opportunity to build collaborative strategies early on and reap the benefits of a coordinated anchor initiative.
- Greater collaboration also lowers perceived risks of going it alone and fosters experimentation and innovation.
- By working together, anchors can engage in an asset or knowledge mapping exercise to determine possible gaps and opportunities as they arise. The City of Toronto and Atkinson Foundation's Public Sector Social Procurement Community of Practice is a promising start.

What enables more systemic thinking among anchors and communities, and across issues and fields?

- Greater learning and knowledge sharing among anchors, governments,

“This new strategy for creating decent work and sharing prosperity confronts the limitations of traditional economic development and poverty reduction approaches.”

communities and other stakeholders can be facilitated to better align efforts and resources.

- In other jurisdictions, a neutral third party usually acts as a facilitator for such discussions. Such a facilitator is seen as instrumental to establishing trust and goodwill among stakeholders.

How can we engage large suppliers and developers in conversation about anchor strategies?

- Many developers and large suppliers have shown a willingness to incorporate social development objectives in their contracts with anchors. They also stand to gain a competitive advantage from these activities.

What types of accountability mechanisms are necessary for anchor strategies?

- Although legal obligations are not necessarily desirable or practical, it is important to determine what happens when anchor strategies fail.

To date, this conversation has been energizing because it's taking place in a broadly based “community of practice”. While it includes academics and policy makers, this community is forming around people who have the authority to make decisions and direct accountability to those who benefit – through their boards of directors or through the electoral process. It has a geographic orientation that spans large urban centres and smaller towns as well as a diverse mix of institutions.

The community's conversation is squarely located at what Dr. Manuel Pastor would call the “pivot points” where challenges meet opportunities.⁵³ He describes them as the turn from:

- onerous planning to ownership of coordinated action;
- building processes strictly for community participation to building “people power” for policy reform; and,
- experimenting with initiatives to constructing the infrastructure that sustains what works.

As long as the Ontario economy – and the world in which it is anchored – continues to experience deep structural change, this conversation is both necessary and encouraging. This new strategy for creating decent work and sharing prosperity confronts the limitations of traditional economic development and poverty reduction approaches. In the process, it can strengthen the ties that bind communities and make them more resilient. It can also draw out

the very best in anchor institutions, as evidenced by the case studies in this paper, and build their capacity to innovate and collaborate. The potential to affect meaningful and lasting change has brought farsighted and enterprising leaders to the table and is likely to keep them there for some time to come.

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