

Amy M. Hochadel

LOCAL LEADERSHIP IN A GLOBAL ERA

Policy and Behaviour Change in Cities



Local Leadership in a Global Era

Amy M. Hochadel

Local Leadership in a Global Era

Policy and Behaviour Change in Cities

palgrave
macmillan

Amy M. Hochadel
London, UK

ISBN 978-3-319-58980-0 ISBN 978-3-319-58981-7 (eBook)
DOI 10.1007/978-3-319-58981-7

Library of Congress Control Number: 2017945368

© The Editor(s) (if applicable) and The Author(s) 2018

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Cover illustration: © fragmentajes / Stockimo / Alamy Stock Photo

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

For Nasri

FOREWORD

In this insightful and thoughtfully prepared book, Dr Amy Hochadel draws lessons for local government leaders within globalising metropolitan areas. She reflects on the critical challenges, constraints and choices faced by such leaders in twenty-first-century globalising cities and makes a compelling case that they must address the contradictions and opportunities of our time with proactive leadership and strategies.

This book is grounded in the lived experience of local government leaders in East London, a key area of the UK's capital city. Here the combined forces of historic deindustrialisation and entrenched social disadvantage, international migration, re-urbanisation and capital investment, hosting the Olympic Games in 2012, the emergence of the innovation economy, future cities' technologies, public sector austerity and reform, and increased integration and connectivity with London's global city functions provide a complex and potent mix of diverse social, economic and governance imperatives to which local leaders must respond.

Dr Hochadel develops a framework of ideas that The Brookings Institution's Metropolitan Policy Program and Global Cities Initiative crafted during 2013 and 2014, in which we were centrally involved. Coining the phrase "global fluency" with our colleagues Brad McDearman and Joe Parilla we sought to set a framework of ideas for judging how far metropolitan areas were engaging effectively with the opportunity of globalisation.

In *The Ten Traits of Globally Fluent Metros Areas* (published by Brookings in US and international editions) we defined global fluency as the level of global understanding, competence, practice and reach

that a metro area exhibits to facilitate progress towards its desired economic future. We isolated the 10 key traits associated with cities that have achieved global success.

Many of these traits align with the key inputs to economic competitiveness: distinct specialisations, infrastructure, human capital and innovation, capital investment and good governance to name a few. Together, these traits provide one framework for metropolitan leaders to gauge their global starting point. These 10 traits were distilled from our research of more than 40 cities to be strong determinants of a metro area's ability to succeed in global markets and manage the negative consequences of globalisation. The most successful cities are those that have a long-term outlook and achieve some level of integration between many of the traits.

Dr Hochadel digested the implications of this research and set about her own original work to see how far the traits would help to illuminate the leadership challenges in East London, specifically in the boroughs of Hackney, Tower Hamlets, and Barking & Dagenham. This book is the culmination of that endeavour.

The book provides significant and valuable insights for local government leaders and scholars of political science, city and regional planning, geography and economics. Her key insights surround the importance of proactive leadership. The core observation is that leadership style, strategy and communication are the critical ingredients in helping local government to align with global opportunities that can bring jobs, population, investment and amenities to a locality, and simultaneously find means to manage the distortions that such changes may bring.

Dr Hochadel's analysis reaffirms the distinctive contribution of local leadership to metropolitan areas. Such areas, as they globalise, need effective *local* roadmaps, visions and identities if they are to optimise the benefits that globalisation can bring. Regional strategies alone will not provide the mosaic of adjustments and improvements required locally to make globalisation work. In arguing for, and illustrating, how local leadership contributes to these processes of change in metropolitan areas, Dr Hochadel has an added important local character and evidence base to a body of knowledge that all too often reflects principally on regional aggregates and average situations. The distinctive approaches and different solutions adopted by the three municipalities at the heart of this book illuminate key choices and variables of how leaders might shape their own globalisation agendas.

This compelling book addresses an essential priority that chimes with the emerging global consensus on the Sustainable Development Goals and

the New Urban Agenda. It argues not just that metropolitan areas must adjust to a globalising economic system, but that local governments must, at least in part, lead that process of adjustment and pursue transformational change. To do that, local government leaders need to adopt effective strategies, and as they do so, it becomes clear that important reforms in public finance and institutional development are required. Anyone reading this excellent book cannot fail to observe that the empowerment of local government institutions is an essential element of the means to make globalisation a force for improving the urban quality of life.

London, UK
2017

Greg Clark
Tim Moonen

ACKNOWLEDGEMENTS

This is a book about cities and how people position themselves in cities whilst living in and engaging with a globalised world. I have written the words on these pages, but the project was possible only with the support of many people and those that have come long before me—and have enabled me to be who I am today. In this respect, it is also a story about my people and their cities and journeys in the world starting in Villa Rosa, Italy, and culminating (for now) in London, England.

Both sets of my great-great-grandparents, Pietro Mazzaresse and Rosalia Larocca and Guiseppa Lodico and Calogera Macaluso, lived in the small village of Villa Rosa, Sicily. My great-grandparents, Antonino Mazzaresse and Angelina Lodico, immigrated to New York City in 1910, where my great-grandfather became an immigrant entrepreneur as a vegetable cart busker. From there they followed work in the mining industry to Johnstown, Pennsylvania where my grandmother Rose Mazzaresse was born in 1914. In 1954, my grandmother Rose married Eddie Poraczky, a self-made man who taught himself electrical and structural engineering. Rose and Eddie instilled a love of learning and education as a way to thrive and survive for me and my brother, Saker Alexander. Without their early teachings, to be curious and seek to understand the world around you, I am certain my life would have been much different and less fulfilling. Similarly, my parents, Diane Alexander, Michael Alexander and David Hochadel, all living and working in Youngstown, Ohio, have provided all the love and support a child needs to succeed in the world.

I met my wife, Monica Cunningham, in Cleveland, Ohio after she relocated with her family from Miami, Florida, via Boston, Massachusetts. She

has enhanced my desire to learn by adding a passion for life and for traveling the world to understand not only how we live and love in it, but how everyone else does as well. She has given me the love and support needed for us to take a leap of faith and immigrate to London, England, and for me to pursue my PhD. It was in London, at King's College, where my supervisors, Leila Simona Talani and Alexander Clarkson, along with my friend and colleague Simon McMahon, provided the academic guidance for me to accomplish this book.

It is only through all of these people, their stories, their cities, their love and support that I was able to write this book.

London, UK

Amy M. Hochadel

CONTENTS

1	Localisation in a Global Economy	1
2	Local Officials Go Global	21
3	Local Entrepreneurs Go Global	59
4	Beyond Policy and Behaviour: A Local Government Model for Global Participation	101
5	Case Studies: Barking & Dagenham, Hackney and Tower Hamlets	125
6	Conclusions and Recommendations for Local Leadership in a Global Era	181
	References	203
	Index	219

LIST OF FIGURES

Fig. 2.1	Policy and behaviour in a traditional system: limited to traditional international relations (IR); representative of administrative-executor policy and transactional behaviour	38
Fig. 2.2	Changing policy and behaviour: multiple complex interactions of both cities and local elected officials whilst maintaining traditional IR between states	39
Fig. 4.1	A dyadic framework for policy-plus-behaviour	106
Fig. 4.2	Global fluency—policy structure-plus-behaviour—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets	112
Fig. 4.3	Global fluency—behaviour and motivation—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets	112
Fig. 4.4	Global fluency—behaviour and representation—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets	113
Fig. 4.5	Global fluency—policy structure and new activities—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets	113
Fig. 5.1	A side-by-side comparison of the frameworks: Local economic assessment, Local development strategy, and <i>The ten traits of globally fluent metro areas</i> (Clark & Moonen, 2013)	128
Fig. 5.2	London Borough of Barking & Dagenham local economic assessment overview (2011)	133
Fig. 5.3	London Borough of Barking & Dagenham Local Development Framework, Core Strategy overview (2010a, 2010b)	139

Fig. 5.4	London Borough of Hackney local economic assessment overview (2011)	143
Fig. 5.5	London Borough of Hackney Local Development Framework, Core Strategy overview (2010a, 2010b)	152
Fig. 5.6	London borough of Tower Hamlets Local Economic Assessment overview (2010b)	156
Fig. 5.7	London Borough of tower hamlets Local Development Framework, Core Strategy (2010a)	165
Fig. 5.8	Barking & Dagenham's global potential mapped on: <i>The ten traits of globally fluent metro areas</i> (Clark & Moonen, 2013)	170
Fig. 5.9	Hackney's global potential mapped on: <i>The ten traits of globally fluent metro areas</i> (Clark & Moonen, 2013)	172
Fig. 5.10	Tower Hamlet's global potential mapped on: <i>The ten traits of globally fluent metro areas</i> (Clark & Moonen, 2013)	173
Fig. 5.11	<i>The ten traits of globally fluent metro areas</i> (Clark & Moonen, 2013) mapped across Barking & Dagenham, Hackney and Tower Hamlets	174

LIST OF TABLES

Table 4.1	<i>The ten traits of globally fluent metro areas</i> and the intersection with legislative-activist policy structure and transformational behaviour in the research	108
Table 4.2	Barking & Dagenham individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews	115
Table 4.3	Hackney individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews	116
Table 4.4	Tower Hamlets individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews	116
Table 5.1	Scoring methodology for global fluency of local boroughs	167

Localisation in a Global Economy

In November 2012, Mayor Julian Castro of San Antonio, Texas, spoke to a packed house at the London School of Economics. Mayor Castro was leading a Texan business delegation on a trade mission to London and promoting San Antonio to the global market as a place to do business. In and of itself, this is not unusual activity. Local and state delegations undertake overseas trade missions quite frequently. What was unusual was that whilst Mayor Castro was in London, in addition to encouraging city-to-city business deals between London and San Antonio, he also engaged in several high-level meetings at 10 Downing Street, including private meetings with the Chancellor of the Exchequer and the Foreign Secretary, an activity usually reserved for nation-to-nation diplomacy. “Responding to comments that he had extraordinary access to the UK’s top leaders, Castro said he’s determined to use every bit of political capital he’s garnered ... to sell the city” (Baugh, 2012).

Politics is changing in a globalised world. The tentacles of globalisation, including economic globalisation across developed countries, and social, cultural and environmental globalisation around the world, mean that almost anyone or any entity can now be an actor on the global stage (Sassen, 2004). Globalisation has become a form of global pluralism, or, as Cerny (2010a) coins it, transnational neopluralism.

In a global economy, the role of cities and their leadership is transforming as the role of the nation-state is evolving (Cerny, 2010a). In the UK, as the nation-state moves further down the spectrum from a welfare state to a competition state (Borraz & John, 2004; Brenner, 1998; Cerny, 1997,

2010a, 2010b; Cerny & Evans, 1999), local authorities are increasingly burdened with the responsibility of delivering more public services on smaller budgets while working to increase economic stability and growth in their areas without central government funding support. The analysis details how the transition from pluralism to international neopluralism has enabled the shift from the welfare state domestic lobbying structure to one potentially represented by local officials who intervene at the global level for local domestic agendas of economic development, thus adding another layer to transnational neopluralism.

In an increasingly web-like, interconnected and interdependent economy, global cities have become the apparent hub or command centres of global activities (Sassen, 2001), specifically for new economic sectors, such as technology, and finance. Through greater understanding of and economic alignment with global cities, some local areas appear to be making headway in building a framework for participation in the new economy (Dobbs et al., 2011; Sassen, 2000). Tracing the path from local cities to the global economy, this book explores the changing nature of local elected officials as well as the role of global entrepreneurs in local economic development.

The book examines the changing behaviours of local elected officials and new policies or structures within local government as a result of increasing globalisation, inter-connectivity and inter-dependency. It is proposed that transformational local elected officials in a legislative-activist policy structure are best positioned to contribute to economic development through connecting the local economy to the global economy, and that local entrepreneurship is helping to drive the local-to-global economic activity. The following key questions are considered: What are the behaviours of local officials that contribute to global participation? What are the policies of local government that contribute to global participation? In this scenario, what is the optimal interaction of policy and behaviour? How is innovation and entrepreneurship driving the connection between local and global?

Specifically, the book examines political leadership considering transactional versus transformational behaviours. It seeks to understand *why* they are motivated and whom they feel they represent in carrying out their work. These behaviours are examined in light of local structures as institutions and the shape of local administration, in order to understand *how* local elected officials are engaging in local-to-global activities in which they feel empowered to act on their own and engage in paradiplomacy, or collectively through global networks. The local policy structures examined

are organised as administrative-executor for the traditional form of local government operating within the hierarchy of national or central government, or as legislative-activist representing a new structure for local government operating (at times) independently of central government as well as on the global level. The book explores how the two types of behaviour, transactional and transformational, combine with the two types of local government policy structures, administrative-executor and legislative-activist, to determine if the resulting four dyadic permutations lead to different outcomes in whether a local area is more likely to participate in and benefit from the global economy.

The book examines innovation and entrepreneurship as an economic driver for local-to-global activity. Specific emphasis is given to ethnic, or global, entrepreneurs who are operating at an international level. Ethnic entrepreneurs in this research are considered to be those entrepreneurs who are connected to a migrant group through a common background or cultural experience and, as business owners, leverage that background and experience to take risks, work internationally and seek a value-added perspective (based on previous definitions and works by Aldrich & Waldinger, 1990; McDougall & Oviatt, 2000; Peterson, 1980; Yinger, 1985). Ethnic entrepreneurs establishing start-up businesses in new economic sectors are examined as potential local vehicles for economic growth in building global businesses, and by looking at their behaviours in building local-to-global businesses as well as the various structures that facilitate building “born global” companies. Agency, in the form of postnationalism (Soysal, 1994), is considered to understand *why* ethnic entrepreneurs build local businesses with global reach, and structure is considered through transmigration, to explain *how* ethnic entrepreneurs set up “born global” companies. Postnationalism (Soysal, 1994) refers to the conceptual impact of globalisation on nationality in which nationalism loses meaning through frequent participation in inter- or supranational activities. Postnationalism suggests that a broader set of human rights are applicable beyond rights bestowed by citizenship.

In drawing conclusions on a local area’s level of participation in global economic activities, global fluency of each area is assessed. Global fluency is the term used by Clark and Moonen (2013) to describe the “the level of global understanding, competence, practice, and reach a metropolitan area exhibits in an increasingly interconnected world economy” (p. 3). Three local London case study boroughs are used as in-depth examples of the degree to which changing local government institutional structures

and behaviours contribute to a local area's global fluency, participation in global activity and potentially local economic development. Additional anecdotal examples are provided from cities around the world.

The book looks beyond mega-cities (i.e., New York, London, Tokyo) as the hubs and command centres of globalisation and into more localised areas. It examines what types of local leaders are engaging in global activity and looks at empirical evidence of how they are undertaking the activities. For London, the empirical work focuses on an analysis through interviews of local officials and business leaders alongside a review of economic development documentation in three local London Boroughs.

There is a significant amount of research that analyses the changing economy of local areas. Current research analyses transitions from rusting factories to modern manufacturing bases, technology and new energy hubs; business clusters to maximise a target growth sector and innovative public private models to fund the initiatives (Bagwell, 2008; Hutton, 2008; Porter, 1995). All of these new economic sector initiatives have valid underpinnings in economic research and data on where markets are heading. However, data does not fully explain and conceptualise how the changing behaviours of local elected officials and the structures in which they operate are initiating these conversions. One cannot simply throw the components for local economic success into a pot and stir. In the new economic landscape, these elements need to be driven, negotiated, communicated and championed by a local leader who not only has vision and ability to generate support and followers but also has an understanding of how a local area can benefit from global participation and where the local area may fit into a broader global system. Simply put, there is a leadership skill set required to successfully connect a local economy to a global economy. The gap in the current literature, which this book seeks to contribute to, is identified when seeking to understand the journey that local elected officials have been taking since the modern construct of globalisation, together with an analysis of the changes in policy structure and behaviour that are occurring at the local level as a result of this journey. This research explores the changing roles of local officials from one of transactional leadership in an administrative-executor structure to potentially one of transformational leadership in a legislative-activist policy structure.

The book explores and explains how some local leaders are driven to participate in and seek to influence global policies that may benefit their local economy. In doing so, they feel empowered to act as a direct

participant and negotiator with actors in the global economy. Some local officials specifically choose to support and enact local policies that enable the growth of local businesses helping to connect the local economy to the global marketplace—for example, fostering technology start-up clusters and providing local support for access to capital and digital connectivity infrastructure. These types of local structures and behaviours help develop local entrepreneurs to “go global”, thus improving the local area’s economic standing.

The research seeks to contribute to the existing body of knowledge through providing an in-depth analysis of how behaviour and policy structure play a role in how local elected officials integrate local areas into a global economy and the unique role that ethnic, or global, entrepreneurs may play. The work is based on and expands from several fields including international relations, economics, immigration and politics. In particular, the exploration builds on five areas of seminal research and scholars. First, Joseph Nye’s (2008) analysis of transactional and transformational styles of political leadership is used to explore the *why* of local-to-global activities of elected officials. Second, Philip Cerny’s work (1990, 1997, 2010a, 2010b) on transnational neopluralism and Saskia Sassen’s work (1991, 2000, 2001, 2004) on global cities are both used as frameworks to understand structure, the *how* of the new activities. Third, Yasemin Soysal’s framework for postnational participation (1994), elucidating guest-worker rights, is used to understand *why* local entrepreneurs are motivated to not only build global businesses, but specifically do it as local entrepreneurs and members of a local community. Fourth, Schiller, Basch, and Blanc-Szanton’s work (1992) on transmigration is used to understand the structural component of *how* some entrepreneurs are able to build successful local to global businesses. Last, Clark and Moonen’s *The ten traits of globally fluent metro areas* (2013) is used at the sub-“global city” level to determine what each combination of structure and agency looks like for engagement at the global level on a scale of global fluency.

Increasingly faced with struggling for survival in a globalised age, predicated by ongoing variations in the global economic structure, some local actors are integrating their activities with those occurring at the global level, thereby no longer acting within the framework of the nation-state (Istrate, Rothwell, & Katz, 2010; Sassen, 2001). Nor are they seeking assistance exclusively from the nation-state as it solidifies its position as the competition state and moves further away from the welfare state. More and more local officials are building economic development strategies for

their local authority's future that include planning and interaction with the global economy. Local leaders are considering how to prepare their workforce for a global economy based in knowledge and service industries as they also work to build up a local innovation and entrepreneurial business base with the capabilities of either serving or supporting the global market. They are recruiting international skilled labour and businesses to augment their plans and negotiate directly with global economic actors such as multinational corporations and foreign governments. In addition, some local officials seek to influence international institutions to incorporate rules and regulations, and a structure that allows them to carry out this work at the global level (Sassen, 2004). In doing so, localities are replacing the local economic growth void created by national financial austerity measures and budget cutbacks (Cerny, 2010a; Sassen, 2004; Strange, 2000), with their own growth strategies that involve, to an increasing degree, engagement in global economic activities (Nathan & Lee, 2011; Sepulveda, Syrett, & Lyon, 2011). Thus, local elected officials and entrepreneurs are economically empowered to become active participants in local politics as they establish "born global" companies in new economic sectors.

POLICY STRUCTURE: TRANSNATIONAL NEOPLURALISM, GLOBAL CITIES AND TRANSMIGRATION

Mayor Jules Pipe of the London Borough of Hackney encourages and supports his local councillors to engage at the EU and global level for economic and social issues impacting Hackney. Pipe utilises EU funding streams for social services in the Borough and has put several structures in place supporting local innovation and entrepreneurs to engage at the global level. At Hackney's 2014 Mayor's business awards, Pipe said, "These awards represent the vast diversity of businesses in the borough. From internationally renowned creative and design agencies to art galleries; from child-care businesses to firms arranging holidays for disabled people; from new apps to multinational digital enterprises, Hackney has it all" (Gheerbrant, 2014).

In this book, several aspects of globalisation are considered that directly relate to the issues of local political activity aligned with events on the global stage. A number of areas covered by existing research are expanded upon (globalisation, localisation, paradiplomacy) and added to

(transmigration) including institutional theories of transnational neopluralism and the framework for global cities as they now relate to actions at a local level (Cerny 2010a, 2010b; Duchachek, 1986, 1990; Michelmann & Soldatos, 1990; Sassen, 2001; Schiller et al., 1992; Soysal, 1994).

Cerny (2010a, 2010b) argues that the basis of what we believe to be the static structure of politics and power is rapidly transforming into a multitude of web-like, enmeshed connections that cross all boundaries, both horizontal and vertical. Borders are becoming permeable as there are no longer clear delineations of inter-state interactions or up-and-down intra-state hierarchical structures, for example, the national role versus the local role. Power and politics are now pursued across broad issue areas and between various actors who can operate on a local level as city representatives, or regionally as European Union (EU) institutions, or based in international activity such as with non-governmental organisations (NGOs) or corporate financial entities. Cerny argues that even among and between these various levels and players there exists yet further “crosscuttings” and an increasing “pluralisation” of politics and issues. Further, Cerny discusses how all of these interactions are not easily mapped as they are uneven and choppy (Cerny, 2010a, 2010b). In essence, the actors are “making it up” as they go, creating new pathways and methodologies, disregarding established protocols, driven by a desire and necessity to fulfil their own needs, pursue their own interests and represent their various constituency bases at the same time as seeking access to a larger platform to achieve their desired results. Cerny maintains that the nation-state is still relevant, albeit in a different capacity, acting as a “sieve” for ensuing global activities. However, it is argued here that the nation-state has become less relevant in a range of issues, for example, climate change and new energy technology, as these issues gain more relevance for local actors on the global stage. For example, many local governments are not directly engaging with central government on climate change, but are instead acting at the global level where their efforts can surpass those of central government. It is these issues where the central government is either not supporting local government, such as economic development, or in which central government is happy to let local government act independently, such as climate change, that are creating the opening directly from the local to the global stage.

Sassen’s definitive work, *The global city: New York, London, Tokyo* (2001), lays out what is widely considered the modern framework of the transformations of the largest cities on the planet from postindustrial to modern information, technology and financial centres.

Sassen reveals how activity from the 1980s and 1990s gave rise to the beginnings of a new financial industry based in city centre high-rise office buildings. Similarly, the decline of blue-collar workers gives way to a white-collar service and information workers. It is during these Reagan and Thatcher years that we see the sprouting seeds of the modern economy through policy-making that includes deregulation in the UK, followed in the USA by repeal of the Glass-Steagall Act in the 1990s, thus effectively removing any regulations or government control between investment and commercial banking. From this point forward, the foundations of modern global cities take hold with an almost devoted emphasis on finance, technology and information, and service industries (Sassen, 2001). The former paradigm of large cities as industrial manufacturing powerhouses has given way to global cities with four primary attributes (Sassen, 2001): global economy command centres, finance and service industry bases, production and innovation sites for finance and service industries, and the marketplace for the ensuing innovative products. Sassen contends that global cities are now the headquarters for financial, technical and service-based industries in the information economy.

BEHAVIOUR: TRANSFORMATIONAL LOCAL LEADERSHIP, INNOVATION AND ENTREPRENEURSHIP

In *The Medici effect* (2004), Frans Johansson provides examples of business or scientific masterpieces where there is an intersection of leadership and innovation, where public policy intersects economics, where the local intersects the global, and where the manifestation is nothing less than transformational. This unique leadership intersection requires great risk-taking, vision, understanding of competitive advantage and openness to dynamic change (Johansson, 2004). This, in essence, is the transformational leadership taking place in some local areas in response to adverse economic effects of globalisation. However, the research here does not judge the moral outcome of the leadership, but explores the *how* and *why* of local transformational leadership as it relates to the impact of globalisation. The term “transformational leader” should immediately be distinguished from good or bad, effective or ineffective leadership. Not all transformational leaders create positive change and some claim globalisation leads to a widening of the wealth gap (Held, 1999; Held & McGrew, 2003; Krugman & Venables, 1995; Stiglitz, 2002, 2006, 2012; United Nations, 2005, 2011).

The research conducted here is bolstered by the premise of transformational leaders initiating and driving systemic change that results in all other iterations in the system, as a pebble in water sends out ripples. Nye (2008) provides comprehensive and comparative literature on transactional and transformative leadership and their “eventful” or “event-making” results in creating a “text-book” on modern leadership, describing its history, impetus, variations, characteristics, contextual implications and outcomes as either positive or negative. Of particular interest here is Nye’s theory on leadership “charisma”, describing the transformational versus the transactional leader and the events they shape being either system-maintaining or changing the course of history. It is presented here that the specific type of leader that may bring about change at the local level by influencing activities at the global level is one that is transformational, creating event-making intersections.

These activities are placed within the context of the local political power structure defined by Gerry Stoker. His overview (Stoker, 1991) of key historical events impacting UK local authorities help frame the current state of affairs at the local level. Through the mid-70s, local authorities were seen taking on enormous responsibility for management and delivery of multiple public services, as a result of state policy requiring local delivery and implementation. Localities that previously managed basic municipal needs, zoning, city ordinances, basic public welfare and safety issues, were taking on economic development as a central response to issues such as high unemployment and national funding cuts to local areas for development purposes. Localities struggled with this new role and responsibility as they themselves felt the strains of the recession (Fox Przeworski, Goddard, & de Jong, 1991).

These changes created animated activity at the local level: a thriving, active and highly participatory political landscape dominated by party politics (Stoker, 1991). The 1970s and 1980s also revealed a pivotal shifting point in many social science and economic disciplines when the oil crisis (1973) transformed the global economy and the modern industrial nation. It was at this crucial point that several significant shifts began to take hold that persist today within the structure of localities and their responsibilities towards the economic well-being of their areas.

For local representatives, the rise of global cities has two very different potential outcomes. These two outcomes conceptually correlate to the two leadership models, transactional and transformational, outlined by Nye (2008) and which are linked to why local leadership may align their activities to global economic activities.

One not uncommon outcome is for former heavy manufacturing bases to fail to make the transition to the modern economy based in new technology, finance and service. This does not mean that manufacturing is dead as an industry but, in many places, the manufacturing bases have been forced into antiquity by new light-weight manufacturing built with technology rather than manual labour. Where a heavy manufacturing base might have converted to modern manufacturing, the structures of local government or behaviours of local elected officials may not have taken advantage of the opportunity to facilitate the action. In addition, and more significantly, deregulation on a broader scale enabled many of the larger corporate manufacturing bases to relocate offshore to benefit from lower taxes and cheaper labour. Local leaders fought to maintain the status quo and keep factories functioning while working to change trade rules facilitating factory closure and departure. This type of activity correlates to the transactional style of leadership expanded on below.

The alternative would be a proactive approach in seeking constant arenas for growth that align with the new economy while maintaining vigilant activism on issues of international trade agreements which benefit corporate entities. Some local areas, which have been distressed by loss of heavy manufacturing in trade deals, have innovatively converted out-dated heavy steel plants to modern alloys and metals, or to manufacturing and assembling new energy technologies (Schneider, 2012). This aligns with Nye's (2008) transformational leadership model.

The "politics" of local politics is multifaceted and complex. Competing interests, and interest groups, constituencies and community needs are all engaged in a vast array of issues, including local development issues at the global level. National policies, whether good or bad, successful or harmful, are enacted, tested and gauged by how the locality reacts. Conversely, when national policy is failing to address the needs of local constituencies, it is the responsibility of those local authorities to step in, and innovatively address the issues, even if that issue is the failing of the international state of finance. It is particularly the topic of economic vitality and development which frequently becomes the bane as well as the pulse and heartbeat of local communities, and which transformational leaders are taking into their own hands. They are transcending the previously constraining administrative policy duties of local government and enabling a legislative-activist structure, driving "event-making" economic change at the local level through direct influence on the global stage.

Local transformational leaders are becoming acutely aware that improvement in local economic growth can be derived from a pluralistic business base, meaning a wide variety of businesses with global reach like technology, medical, or financial as well as a highly developed workforce. Inclusion of entrepreneurs in local economic development planning that supports global business growth in sectors such as information, technology, finance with the service industries supporting them helps to bolster overall local development.

This phenomenon expands on the work conducted by Soysal (1994). She explores the occurrence of guest-workers as a sample group for her argument that although migrants were once seen as temporary residents, and politics meant them to be “guests” or temporary populaces, the data shows that most migrants embed themselves within the host state for the long term (OECD, 2010a; Soysal, 1994). Even those who have been denied a legal right to stay generally still remain in the host country (Soysal, 1994). These migrants form communities, create group identities, join in local life, and are represented by advocacy organisations at various levels of government and society. They become *de facto* citizens with limited but justifiable rights, including civic participation. Soysal (1994) has coined the resulting state of permanent guest-worker migrants as “postnational” migrants. Her sample group is no longer adequate to meet the need of the globalisation of localities which has resulted in increased migrant businesses and skilled labour. Postnational participation has expanded beyond migrant labour and into ethnic entrepreneurship which can advance local economies.

This does not presume that leadership or inclusion of entrepreneurs alone can transform existing resources for economic growth. There are always independent variables affecting outcomes as well as supply and demand, for example, trade agreements inversely favouring corporate interests. This research does not seek to analyse the hegemonic activities creating global deregulated financial markets and free trade. Here, the phenomenon of transformational leadership by local actors who have capitalised on the rise of global cities by proactively pursuing their own pathways at the global level is explored.

LONDON LOCAL BOROUGH CASE STUDIES

The story of East London, its boroughs and neighbourhoods, is one characterised by more than a century of poverty, overcrowding and immigration. Economic development and regeneration plans have been built up

and then fade away, along with the development corporations meant to champion and coordinate the activities. The London 2012 Olympics were held in and around the boroughs being studied here, and some areas have benefited while others missed opportunities for new development of both land and people. In the three boroughs examined (Barking & Dagenham, Hackney and Tower Hamlets), there are higher rates of poverty, infant mortality, unemployment and early death than in most other London boroughs (GLA Intelligence, 2015). The boroughs have some of the highest rates of immigrant populations and the lowest rates of new business development and sustained success. Yet amongst these challenges there are local economic success stories to tell, and there are driven and passionate transformational local leaders seeking to accomplish more. Many of these leaders point out that their boroughs are on the doorstep of a concentration of great wealth in Canary Wharf and its banking industry. Some of these leaders are seeking to further develop their footprint by aligning their economic development plans with the needs of this wealthy global city command centre as well as engaging in direct negotiations with the multinational corporations based there.

This research studies three London boroughs as a microcosm to better understand the local changes (or lack of) occurring in agency through transformational leadership and postnational participation and in structure through transnational neopluralism, global cities and transmigration. Throughout this book there are also examples of other cities around the world facing similar situations and going through similar machinations, indicating that the local-to-global phenomenon may be globally pervasive.

In local areas struggling in a global economy, it is irrelevant if one is pro- or anti-globalisation, or if one approves of the transition from a welfare state to competition state. In this respect, local residents do not care about Wall Street and are more concerned about the High Street and what is happening to them each day. Perhaps it has become a case of playing the hand that is dealt. “Economic growth in general is today more the result of economic trends and developments than of state policies” (Cerny, 2010a, p. 17). This has led to a restructuring within the nation-states around global cities, and the beneficiaries of economic development of the competition state. Susan Strange discusses the real life situation as one far removed from academic theories and posturing; she emphatically reiterates that what really matters is what is happening on the ground, to real people and their everyday lives. “The perceptions of ordinary citizens are more to be trusted than the pretensions of national leaders and of the

bureaucracies who serve them; that the common sense of common people is a better guide to understanding than most of the academic theories being taught in universities (2000, p. 133).” Strange continues, “the diffusion of authority away from national governments has left a yawning hole of non-authority, ungovernance it might be called” (2000, p. 133). Based on this theoretical framework, this new research seeks to translate the activities of local activity on the global stage to what is happening on the ground and affecting people’s everyday lives.

David Held (2010) has described the new individual democratic participant of the twenty-first century as “cosmopolitanism”, influencing government and economics in a way that is cross-cultural, compromising and inclusive beyond geographic nation-state boundaries for mutual benefit. Held refers to these participants as belonging to “communities of fate”. Local areas across the developed world are finding themselves in similar situations, having to do more with less while attempting to provide for their residents and spur economic vitality in an internationally regulated economy.

At the supranational level, institutionalist theory provides a broader perspective into the complex interactions and dependencies which occur at the global level and impact on local transformations. This is achieved by examining economics through a lens of behaviour and, although controversial, considering political motivations as well as pure market analysis. It also provides a perspective on the rise and fall of several international institutions as well as ones that have endured over the last century. Importantly, it helps explain the changing nation-state, and its brief and turbulent formation since the Peace of Westphalia in 1648.

At the subnational level, the shift in foundational ethos of the hegemonic superpowers, namely the US and UK, from one of welfare to competition, has significant implications for economic vitality in local areas. Specifically, the refocus from primarily a domestic agenda to an international market and competition agenda has left significant gaps in both budget allocations for economic development as well as the strategic direction and support for implementation of those agendas. Local leaders are taking a journey that was at first reactive, then became adaptive and perhaps is now, for some, proactive in order to position their areas so they can participate in the new competition market of the global economy.

The rise of global cities as the focal point of the new global economy has clearly defined the structure and type of economic opportunities available in the twenty-first century, namely, knowledge, technology and finance

and their supply chains. Local areas, slow to transition from industrial to service economies, are showing signs of beginning to emulate growth of global cities in order to fill the void left by the competition state.

In a similar vein to global cities, local elected officials of smaller areas may be beginning to by-pass national government and head straight toward economic opportunities at the EU and global levels. Hooghe and Marks argue that:

One of the most important consequences of European Integration is the multiplication of extra-national channels for subnational activity. Territorial relations are being transformed: national states are losing control over important areas of decision making, a variety of new channels have been created for regional mobilizations, and subnational governments are engaged in innovative, transnational, patterns of interaction. (1996, p. 73)

Once through that entry point, local areas find themselves part of a complex, cross-cutting and inter-meshing system of globalisation which Cerny has termed “transnational neopluralism”. In this new framework, the layers to globalisation are too interdependent to separate and include all players at all levels and are not limited to the nation-state. This system thus provides the playing field where local areas can pursue opportunities that were once solely defined and controlled by the nation-state.

Nation-states still play a significant role in economic development, both at the local and global level, but transformations have changed the way the game is played. “National governments, however, no longer play the critical role of intermediary between subnational government and international relations, and sub-national governments are no longer nested exclusively within national states” (Hooghe & Marks, 1996, p. 90). The nation-state is promoting a global competition state in which its own local areas must compete to survive. Local areas in turn no longer look solely toward their respective nation-state for funding, planning and support in economic development, but must now act locally and think globally to pursue their own agendas. “European integration is domesticating what would previously have been described as international relations” (Hooghe & Marks, 1996, p. 90).

These transformations are a result of economics plus behaviour, and are taking place under the influence and persuasion of politics. Each of the specific theories has been examined, identifying their overarching themes, their progression over a period of time; these are then applied to transformations witnessed at the local level.

The important point to note about the developments discussed in detail here is that they increasingly cross national boundaries and by-pass central governments, permitting if not directly encouraging localities and regions to deal directly with Brussels and vice versa. As such they represent the most important development in intergovernmental relations in the European context in recent years—one which in all probability will markedly shape those relationships in the foreseeable future. (Goldsmith, 1993, p. 698)

The empirical chapters to follow examine that foreseeable future to look at both the policies and behaviours related to local elected officials on the global stage and new participants enabling the activity at the local level.

STRUCTURE OF THE BOOK

As the tentacles of globalisation stretch further and encompass a widening net of issues, policies, institutions, politics and actors, it becomes an ever-present reality for local areas to interact at the global level, thus aligning their self-interests and those of their constituencies to the processes and opportunities on the global stage. These processes can be broken down into various discrete sections of research as well as empirical analysis which are outlined here.

Chapter 2 explores the changing role of local elected officials. Two diverting paradigms are studied, one where local elected officials actively enter the global arena and one where local officials look inward and to national government to assist and restore struggling economies. Several existing areas of behaviour are explored, including understanding the activities of diplomacy versus paradiplomacy and the role of transactional versus transformational leaders. In addition, new behaviours are revealed related to global fluency and the motivation and representational role of local officials. Similarly, existing areas within policy structure are examined including the concepts of government versus governance and administrative versus legislative governing structures.

Chapter 2 also analyses the current context of the local leader through Nye's comparative theory on leadership that distinguishes transactional from transformational leadership. The characteristics of local transformational leaders and the subsequent retrenchment of local authorities are situated within this transformational leadership analysis. Transformational leaders are examined in how they approach and position themselves on the global stage to effect local change. The chapter considers new activities of local elected officials on the global stage in relation to motivation and representation.

The chapter seeks to answer the questions:

- What types of policies and new structures are local elected officials putting in place and utilising?
- Why are they undertaking this work to connect their local area to the global market?
- Whom do they feel they are representing when they undertake work at the global level?

Chapter 3 takes an in-depth look at the role of entrepreneurship, and specifically ethnic entrepreneurship, in connecting the local economy to the global. Several key theories are considered, including the modern manifestation of entrepreneurs in a local and global context; the structure and behaviour related to local-to-global entrepreneurs; and how local elected officials and entrepreneurs view each other within this context. This chapter poses the questions:

- How do some local entrepreneurs drive a local-to-global economic connection?
- What structures are “born global” entrepreneurs using to enable these types of business connections?
- What types of behaviours or motivations are driving these entrepreneurs to operate globally, yet maintain local ties?

The chapter also briefly examines how the two actors, local elected officials and entrepreneurs view each other and whether their activities are coordinated.

Chapter 4 presents a new model for local leadership at the global level. Based on the insights from Chaps. 2 and 3, the changing behaviours and structures involved in local leadership and entrepreneurship, a dyadic model is designed where different permutations of behaviour plus policy will lead to different outcomes for local areas.

Chapter 5 seeks to connect the new research to tangible activities in local areas through practical case study examples of three local boroughs (also referred to as local authorities). Each borough has a different political structure and different agency as exhibited by the local councillors. Hackney has a directly elected mayor, Barking & Dagenham has the traditional English structure of a leader of the council, and Tower Hamlets had (in 2015) an elected mayor who broke away from the Labour Party

to form a local political party, called Tower Hamlets First. The chapter provides an analysis of qualitative interviews with local elected officials as well as the documents used in each borough's current and future economic development plans and offers a comparison across the study boroughs scored against *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013).

In Chap. 6, conclusions are drawn on the implications of changing behaviours and policy structures in local areas. It embraces a new dyadic model for structure and behaviour to offer recommendations for local cities to increase their global fluency.

REFERENCES

- Aldrich, H., & Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16(1), 111–135.
- Bagwell, S. (2008). Creative clusters and city growth. *Creative Industries Journal*, 1(1), 31–46.
- Baugh, J. (2012). Castro wraps up London trip [online]. *San Antonio Express-News*. Retrieved January 31, 2014, from <http://www.mysanantonio.com/business/article/Castro-wraps-up-London-trip-4055075.php>
- Borraz, O., & John, P. (2004). The transformation of urban political leadership in Western Europe. *International Journal of Urban and Regional Research*, 28(1), 107–120.
- Brenner, N. (1998). Global cities, glocal states: Global city formation and state territorial restructuring in contemporary Europe. *Review of International Political Economy*, 5(1), 1–37.
- Cerny, P. (1990). *The changing architecture of politics*. London: Sage.
- Cerny, P. (1997). Paradoxes of the competition state: The dynamics of political globalization. *Government and Opposition*, 32(2), 251–274.
- Cerny, P. (2010a). The competition state today: From raison d'Etat to raison du Monde. *Policy Studies*, 31(1), 5–21.
- Cerny, P. (2010b). *Rethinking world politics*. New York: Oxford University Press.
- Cerny, P., & Evans, M. (1999). *New labour, globalization, and the competition state* (Working Paper No. 70). Cambridge, MA: Center for European Studies, Harvard University.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Dobbs, R., Smit, S., Remes, J., Manyika, J., Roxburgh, C., & Restrepo, A. (2011). *Urban world: Mapping the economic power of cities*. New York: McKinsey Global Institute.

- Duchacek, I. (1986). *The territorial dimension of politics within, among, and across nations*. Boulder, CO: Westview Press.
- Duchacek, I. (1990). Perforated sovereignties: Towards a typology of new actors in international relations. [S.l.]: [s.n.].
- Fox Przeworski, J., Goddard, J., & de Jong, M. (1991). *Urban regeneration in a changing economy: An international perspective*. Oxford, England: Clarendon Press.
- Gheerbrant, J. (2014). Hackney's best businesses celebrated by Mayor's awards [online]. *Hackney Post*. <http://hackneypost.co.uk/2014/03/29/hackney-business-awards-entrepreneurs-celebrated-mayor/>
- GLA Intelligence. (2015). *London Borough Profiles*. London: Greater London Authority. Retrieved from <http://data.london.gov.uk/dataset/london-borough-profiles>.
- Goldsmith, M. (1993). The Europeanisation of local government. *Urban Studies*, 30, 683–683.
- Held, D. (1999). *Global transformations*. Stanford, CA: Stanford University Press.
- Held, D. (2010). *Cosmopolitanism*. Cambridge, UK: Polity Press.
- Held, D., & McGrew, A. (2003). *The global transformations reader*. Cambridge, UK: Polity Press.
- Hooghe, L., & Marks, G. (1996). Europe with the regions: Channels of regional representation in the European Union. *Publius: The Journal of Federalism*, 26(1), 73–92.
- Hutton, W. (2008). *The world we're in*. London: Little Brown Book Group.
- Istrate, E., Rothwell, J., & Katz, B. (2010). Export nation: How U.S. metros lead national export growth and boost competitiveness. Metropolitan Policy Program at Brookings. Retrieved from <http://www.brookings.edu/metro>
- Johansson, F. (2004). *The Medici effect*. Boston, MA: Harvard Business School Press.
- Krugman, P., & Venables, A. (1995). Globalization and the inequality of nations. *The Quarterly Journal of Economics*, 110(4), 857–880.
- McDougall, P., & Oviatt, B. (2000). International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, 43(5), 902–906.
- Michelmann, H., & Soldatos, P. (1990). *Federalism and international relations*. Oxford, England: Clarendon Press.
- Nathan, M., & Lee, N. (2011, February). *Does cultural diversity help innovation in cities? Evidence from London firms*. SERC Discussion Paper 69, London School of Economics, London.
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.
- Peterson, W. (1980). Concepts of ethnicity. In S. Thernstrom (Ed.), *Harvard encyclopedia of American ethnic groups* (1st ed., pp. 234–242). Cambridge, MA: Harvard.

- Porter, M. (1995). The competitive advantage of the inner city. *Harvard Business Review*, 73(3), 55–71.
- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.
- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2004). Local actors in global politics. *Current Sociology*, 52(4), 649–670.
- Schiller, N. G., Basch, L., & Blanc-Szanton, C. (1992). Transnationalism: A new analytical framework for understanding migration. In N. G. Schiller, L. Basch, & C. Blanc-Szanton (Eds.), *Toward a transnational perspective on migration* (pp. 1–24). New York: New York Academy of Sciences.
- Schneider, K. (2012). As demand rises, Ohio's steel mills shake off the rust and expand. *The New York Times* [online]. p. B6. Retrieved August 2, 2015, from <http://nyti.ms/1KJvwMI>
- Sepulveda, L., Syrett, S., & Lyon, F. (2011). Population superdiversity and new migrant enterprise: The case of London. *Entrepreneurship and Regional Development*, 23(7–8), 469–497.
- Soysal, Y. (1994). *Limits of citizenship*. Chicago, IL: University of Chicago.
- Stiglitz, J. (2002). *Globalization and its discontents*. New York: W.W. Norton.
- Stiglitz, J. (2006). *Making globalization work*. New York: W.W. Norton.
- Stiglitz, J. (2012). *The price of inequality*. New York: W.W. Norton.
- Stoker, G. (1991). *The politics of local government*. London: Macmillan.
- Strange, S. (2000). The declining authority of states. In *The global transformations reader* (pp. 148–155). Cambridge, UK: Polity.
- The Organisation for Economic Co-operation and Development (OECD). (2010a). *International migration outlook: Migration key to long-term economic growth*. Paris: OECD Publishing.
- United Nations. (2005). *The inequality predicament report on the world social situation 2005*. New York: United Nations Publishing. A/60/117/Rev.1, ST/ESA/299.
- United Nations. (2011). *The report on the world social situation: The global social crisis. The world social situation*. New York: United Nations Publishing.
- Yinger, J. (1985). Ethnicity. *Annual Review of Sociology*, 11(1), 151–180.

Local Officials Go Global

Kunal Kumar is the Municipal Commissioner of Pune, India, a location referred to as “The Oxford of the East”, due to its large number of higher education institutions. The role of an Indian Municipal Commissioner has traditionally been one of an administrative-executor role to implement national policy and prepare a local budget—the traditional administrative-executor policy structure with the traditional transactional form of behaviour. However, Mr. Kumar is far from transactional—he has led international delegations from his local region around the world to promote Pune as a technological, educational and innovation hub of India. He has directly engaged with foreign governments to find innovative ways and solutions to local challenges and new ways of funding local economic development initiatives. Mr. Kumar has signed agreements on behalf of Pune with foreign governments and global organisations such as the UK Government, the US Treasury, and the United Nations. He describes his activities in the following manner:

I want to bring to Pune the best of the world—especially the technologies and practices that can enable our city to become the benchmark for smart cities, in India and then globally. To realize this vision, we need to draw in people and firms with experience, who are seen as one of the best in the business. This is why we are engaging with global organizations and governments, trade bodies, and science and research organizations. It will

also help Pune to keep pace with the best global cities, and attract people to visit, work and live here. (K. Kumar, Kumar Interview. Conducted by Amy Hochadel, personal communication, 2016)

Mr. Kumar feels personally empowered to engage at the global level and has a deep passion for Pune as a global city to compete economically on the global stage.

The term “global cities” no longer solely refers to New York, London and Tokyo. Pune sees itself as a global city. The London Borough of Hackney is operating independently on the global stage to represent Hackney to the world as does Mexico City, and San Antonio, Texas. This chapter positions the rise of new “global cities” as an impetus for the phenomenon of local transformational leadership on the global stage. It is proposed that global cities have created a top-down economic singularity that, in turn, is producing a bottom-up practicality of local economic agendas that are pursued on the global stage.

Since the peace agreement at Westphalia in 1648 among the major European nations, the global system of sovereign states has formed the foundation of international relations. To restate this in perspective, the modern system of nation-states has been in widespread arrangement and acceptance for less than 400 years. In anthropological terms, this is a very brief moment in time, and therefore represents a great and ongoing social experiment in governance, power and international law. It is no wonder that the concept of the form and role of the nation-state is an ongoing debate as it is itself constantly transforming, and that the meaning of the sovereign state is still being defined and refined in academic circles.

While analysing specific institutionalist issues of globalisation as they relate to a precise phenomenon, namely changing power structures at the local level, it is important to be mindful of the massive simultaneous transformations that continue to occur at multiple levels and between multiple actors. Advances in technology continue to change the state of global finance and business on an almost daily basis, alongside the tumultuous and ever evolving (or devolving) political landscape. Related to Cerny’s insights regarding the form of globalisation, the broader issue that is not analysed here is consideration of the form of global governance, which leads to a global civil society that has interests beyond self-serving economic gain and security agendas. Deliberations are being considered by academics of globalisation such as Barber (2013) regarding international cooperation to create a form of global civic society, a global Parliament of

Mayors, that can effectively function to address the pressing economic, security and environmental issues of the planet. What is considered in this chapter are the behaviours and policies of local elected officials, whose areas have been impacted by economic globalisation, and how they may be positioning themselves within this process as transformational leaders on the global stage.

For more than 30 years, globalisation has adversely affected local areas, particularly in the USA and UK. From heavy manufacturing loss, to budget cutbacks and a shift from a welfare state to a competition state, local areas have struggled to find their footing in the age of technological and financial globalisation and its concentration around global cities.

Local governments and elected officials are increasingly thinking “out-of-the-box” of traditional hierarchical local government structures and, in doing so, are becoming involved in activities at the global level to address local problems. The purpose of this chapter is to understand the new behaviours local officials are engaging in and the new structures which are enabling those behaviours. How can these changes be explained for behaviour at the local level in terms of motivation and representation? How do changes in local government policies facilitate new activities through turning their focus from a local to a global stage?

The research illustrates how the development of a competition-driven agenda of economic growth through global capitalism and free trade has opened access for multinational companies, global financial corporations and other large organisations associated with hegemony to the competition state. This new research examines the impediment this may cause in local economic development, and how it might be leaving many local authorities and municipalities to fend for themselves.

The nation-state has facilitated and driven competition among the elite whilst the economic development efforts of others from the bottom up have been placed in a position without support, direction or aid. In essence, they must either “adapt” or “die”. In the economic vitality sense, many of these areas have “died”, a few have adapted, and it appears more may be in the process of transformation. Sassen (2004, p. 649) provides a similarly unrestrained and candid perspective. “One way of interpreting this is in terms of an incipient unbundling of the exclusive authority over territory and people that we have long associated with the national state.” Sassen (2004, p. 651) goes on to write that “the loss of power at the national level produces the possibility of new forms of power and politics at the subnational level and at the supranational level”.

Explanation and analysis of this phenomenon is approached in one of two ways in the literature. One perspective is through the lens of policy, explaining what cities are doing or how cities are interacting with other structures at the local, national or global level (Cerny, 1990, 1997, 2010a, 2010b; Sassen, 1991, 2000, 2001; Stoker, 1991, 1998). Activity is also explained through behaviour and how elected officials' roles have evolved due to necessity, personality, motivation or leadership skills (Borraz & John, 2004; Gains, Greasley, John, & Stoker, 2009; John, 2000, 2001, 2008; Nye, 2008).

Early theorists on pluralism, such as Dahl (1961), argued that there are multiple power structures and political actors, all of whom are striving towards various goals in a democratic society so that no one group can find complete domination. Dahl contends that compromise and collaboration must inevitably play some role, thereby creating a pluralism of outcomes.

Dahl's argument is in contrast with a competing view at the time that the pluralist effect is minimal or marginal as, in the end, the democratic power structure is dominated by a small group of elites (Mills, 1956). The general argument of whether the system is truly pluralistic, or if it is dominated by a small group of elites, persists today in debates on globalisation and international political economy.

Cerny (2010a, p. 8) argues, "Globalization both entails, and is itself driven and shaped, by a process of the still uneven, but increasingly cross-cutting, pluralisation of world politics." His argument employs circular logic in that globalisation itself encourages multiple actors which, in turn, creates a more pluralistic form of growing and intertwining political landscape. In other words, globalisation drives pluralistic participation, which drives, and in turn shapes, globalisation. Individual entities, nation-states or other singular bodies can no longer completely control the stage or the actors that step on and off it. Globalisation itself, with all its tentacles and actors in every form, is now the denouement, or as Cerny (2010a) refers to the transition "from *raison d'État* to *raison du monde*".

Among all of the cross-cutting, overlapping and intermeshing, a new actor is emerging to navigate the transnational neopluralist landscape. The increased activity of the local elected official can potentially be thought of in one of two ways: firstly, as one of the multitude of actors who continue to grow the neopluralist web, and add to it in similar ways as other non-state, non-multinational corporate participants; or, secondly and alternatively, as an actor that brings a new, unique characteristic to the stage which may upset the existing political power structure.

In a multilayered international system, global cities are becoming not so much “large cities” within a nation-state but more a nexus and focal point for the global economy above and beyond nation-states. As a result, these global cities and their associated supply chains function as primary forces that drive and intertwine the modern economy, frequently completely independent from the nation-state where they reside.

In the UK, the retreat of the welfare state and rise of the competition state, resulting in substantial public sector cuts, means cities must depend less on central government for resources and support. Cities and local authorities have been left to seek their own solutions through changes to internal structures, policies and activities to fill this funding gap. The devolution agenda is gaining speed and has been endorsed by both Labour and Conservative political parties in the 2015 national elections. This has been evidenced by the (Lord) Adonis review (2014) on the Labour side and through Lord Heseltine’s report *No Stone Unturned* (2012) for the Conservative Party. This means that local areas, which have already shouldered the burden of massive local cuts to services and social programmes, need to assess whether they can set up a form of local government that can meet local needs without intervention of central government. The transition seems inevitable. “Devolutions to city-regions—units of scale that allow for strategic decision making and investment across functional economic areas—have been the missing piece of the puzzle” (RSA, 2015). Indeed some, as exemplified by Greater Manchester, Sheffield and Leeds, have already started down the path of local control (RSA, 2015). For Greater Manchester, this means two billion pounds of services have been devolved from central government control to local control in the areas, amongst others, of transport, the NHS and housing (RSA, 2015).

The RSA (2015, pp. 18–19) report states: “To achieve the full gains from devolution, it is important for metros to align their economics with their politics and administration.” As a result, cities may seek to shift their internal configurations from a traditional one of administrative-executor, acting as the conduit for the delivery of local services, to one based on legislative-activism that seeks to go beyond local borders and to engage with the global economy to fill the gaps left by the competition state. In this research, consideration is given to how local areas achieve this through interaction with different structures rather than simply central government. The shift encourages and facilitates local areas to control their own economic fate, and may also catalyse changes in structures and agency between local government and the global stage as national borders become more porous.

The traditional form of agency at the local level is transactional where behaviour maintains the status quo through activities that are commonly accepted and embedded in the system. However, some local elected officials are acting in a transformational capacity, where their actions seek to change the status quo, often through innovative partnerships and activities which are not confined to traditional structures. The traditional structure of local government is administrative-executor which enables delivery and facilitation of constituent needs and services flowing from the national level. Some local areas have modified their structure to be more legislative-activist, thus facilitating legislative activity at the local level through active participation in a democratic process, rather than it being dictated from the national level.

DIPLOMACY AND PARADIPLOMACY

The common activist adage of “think globally, act locally” (Geddes, 1915) was first used as a formula for city planning. However, in using the phrase now for city planning, the reverse may be more accurate. As Beauregard (1995) discusses, the exact opposite may now be true: “think locally, act globally”. He presents this as a theoretical concept, whilst the research here presents it within a framework of emerging empirical evidence. In addition, this reversal of concept within a broader context of frameworks and theories is part of a new paradigm in glocalisation and the political power structure. Beauregard provides us with an analysis on the changing role of the “local” in the world system. Much of his synthesis derives from the seminal research by Friedman and Wolff (1982, p. 309), where they analyse “the spatial articulation of the emerging world system of production and markets through a global network of cities”. Their hypothesis centres on the division of global labour as world cities integrate and geographically concentrate the global economy. Friedman and Wolff provide an instrumental foundation for launching rigorous action research and academic debate on what Sassen eventually and definitively dissects as “The Global City” (2001).

Beauregard’s original example aligns with the actions of the transactional leader—a leader who takes the reins of a situation and acts to diffuse a crisis and re-establish a functional status quo. The research here explores the progression of this example to align with the actions of the transformational leader, as one who decisively acts on a situation by fundamentally changing the direction and altering the status quo.

While Beauregard continues to advance the theory and draw connections between the local and global, he still maintains a top-down route of actions from global to local. He states:

This line of theorizing has implications for planning. It is obvious that ‘local’ planners have to be empowered to be ‘global’ actors. This does not mean relocating them to the global scale or creating supra-planning entities that operate internationally. It does mean that planners must be able to react to influences impinging on their ‘communities’, regardless of where those influences originate and which actors are responsible. (1995, p. 244)

As was the case in 1995, Beauregard frames the local roles as reactive and not proactive. He identifies a planner as having a role at the global level that allows them only to react to global activities but not one that influences or is proactive. In the modern construct, it is this point in globalisation where a shift may be occurring from reactive to proactive. The local planner may be able to act more proactively at the global level: for example, they do “have to be empowered to be global actors”, but no longer by limited powers of reaction. Local officials may be placing themselves in the position of proactive influences of global activities. And while we may not need an international “supra-planning entity” (Beauregard, 1995, p. 244) which, on the surface, sounds like a global bureaucratic nightmare, it may be that transformations continue to occur at all levels of the multi-level interconnected system, constantly adapting and changing to accommodate new actors and situations.

Beauregard leaves his final premise and question unanswered; how can actors be global and local simultaneously? The response may be that, as the state has shifted from a domestic welfare state to an outward focused competition state, local authorities have also transformed and adapted by bypassing the nation-state to use global cities as direct conduits to economic development initiatives and opportunities. Then Beauregard’s question finds a robust response rooted in the actions of local officials on the global stage who are seeking to influence local activities because the national stage is no longer the platform where policies derive. As a result of these shifts, local officials may begin to proactively seek out the global stage in an official capacity and, in so doing, transform the existing political and power structures. They become local officials influencing the global agenda, both locally and globally simultaneously.

At the core of the research is a general supposition that activities in local government have evolved over the last few decades from purely local or local-to-national, to comprising multiple and complex local-global connections. Local governments are taking on more responsibilities and burdens, with fewer resources, while at the same time extending their reach

beyond local borders and outside existing hierarchical government structures. Local officials are becoming empowered actors in their own right on the global stage and engaging in independent action once reserved for state governments. It is therefore helpful to discuss current concepts of what it means for state governments to interact with each other; this can then be expanded into terms relating to multiple actors on the global stage, including the relations that may occur between various levels of different state governments, no longer limited to state-to-state diplomacy.

Diplomacy, known as the interaction of nations but also referred to as International Relations, dates back to Greek and Roman times and remains the official form of direct nation-to-nation contact in foreign relations. However, a shift in activity from historical inter-city trade and promotion of marketing and tourism, reaching into the realm of international relations between global and subnational entities, has progressed beyond the official state boundaries into lower levels of government, down to the lowest levels of city government. As the interaction of cities or local areas is examined with multiple other levels and layers of government and non-government entities, use of the term *paradiplomacy* (Duchacek, 1986, 1990; Michelmann & Soldatos, 1990) is helpful to encompass government or political actors other than national governments who are engaging in action relating to foreign or international relations. “Global paradiplomacy consists of political contacts with distant nations that bring non-central governments into contact not only with trade, industrial, or cultural centers on other continents ... but also with the various branches or agencies of foreign national governments” (Duchacek, 1986, pp. 246–7). The term reveals a level of diplomacy that local governments are using to engage with other foreign governments, international organisations, foreign local governments, and a myriad of other actors engaging on the global stage. It most clearly implies a type of interaction in foreign relations that goes beyond the traditional exchanges of foreign cities for purposes of trade, marketing or tourism and into the activities previously reserved for state-to-state diplomacy and interactions.

The phrase “global stage” can be clichéd and overly emblematic in the globalisation debate. In this respect, a quick explanation of the use of “international” versus “global”, and how these two terms are frequently used interchangeably in general discussion, helps make their meanings specific and distinct. “International” means actions between nations while “global” refers to activities occurring above nations or at a level that encompasses all nations. However, the activities themselves are not always so clearly

distinct as being strictly international or global as the system is complex and cross-cutting, and can be referred to as “transnational neopluralism” (Cerny, 2010a, 2010b). Similarly, local elected officials on the global stage may be engaging in international or global activities. In this context, the phrase “global stage” is used as a virtual arena: a non-geographic concept where activities can take place either between or above nations. Similarly, the term “global marketplace”, when used in this research, means a specific virtual or non-geographic location where businesses operate at a level above or beyond nation-to-nation business arrangements.

It is also important to review the meaning and use of the word “globalisation”, principally as it is used in this research as a causal element to policy and behaviour changes at the local level. An analysis of the meaning of the term globalisation, as it is used in this chapter, will help to focus the discussion considered herein. Woods (1998) provides three interconnecting categorical perspectives of globalisation that help define elements of the argument:

- Market approach—activities of the financial system, the exponential growth of transaction-related activities and the associated elements
- State approach—reinforcement or constraint of a state sovereign system
- People approach—analysis of inequalities along with cultural and social values.

This chapter looks at globalisation primarily through the “market approach” as it relates to local officials seeking to stimulate local growth through activity on the global stage. The “state approach” will be briefly covered in Chap. 4.

TRANSACTIONAL VERSUS TRANSFORMATIONAL POLITICAL LEADERSHIP

Local areas are undergoing a change in policy structures as a result of globalisation. Concomitantly some local areas are experiencing a change in behaviour of local elected officials from transactional to transformational who then feel empowered to “go global” and act independently on the global stage. It is the use of the phrase “transformational leadership” that must be delineated here. It is also important to differentiate the term

“transformational leader” from good or bad, effective or ineffective leadership. Not all transformational leaders create positive change, but transformational leadership may lend to the best opportunity to create economic growth on the local level. Nye (2008, pp. x–xi) defines “leadership” as “those who help a group create and achieve shared goals. Leadership is a social relationship with three key components—leaders, followers, and the context in which they interact.” Stone (1995, pp. 96–116) concurs and expands the definition by stating that “leadership goes to the heart of politics, that is, to the capacity of a people to act together on shared concerns. Leadership revolves around purpose, and purpose is at the heart of the leader-follower relationship.”

A clear distinction that underpins the research is the “transactional element” versus “transformational element” that is aligned to the progression of local elected officials from operating in a structure of administrative-executor to legislative-activist.

Transformational leaders are contrasted with transactional leaders, who motivate followers by appealing to their self-interest. Transactional leaders use various approaches, but all rest on reward, punishment or self-interests. Transformational leaders appeal to the collective interests of a group or organization, and transactional leaders rely on various individual interests. (Nye, 2008, p. 62)

The work here identifies “transactional leaders” as those working to maintain the status quo through effective or ineffective dealings that are commonly accepted and embedded in the system. Transactional behaviour does not deviate significantly from an accepted norm of the roles and responsibilities within the structural policy of the administrative-executor. Conversely, “transformational actions” are those actions that seek to change the status quo. They often embrace new and innovative partnerships and dealings and are not confined by the traditional policies within which they operate.

Work on transformational versus transactional leadership was originally published by Max Weber (1930) and his definitions and categorisations are still accepted and used in current academic literature. Weber (1930) described three types of leader:

1. The Charismatic Hero (transformational) stands apart and rallies followers through vision and inspiration creating significant change to the status quo;
2. The Bureaucrat (transactional) leader follows the rules and maintains the status quo through mutual benefit and market value trade. Weber purported that capitalism fosters bureaucratic leadership;
3. The Traditional (feudal) leader is one who gains power through tradition and loyalty. These are leaders who are not necessarily elected but are appointed or inherit a right to rule.

Burns (1978) offers a simple and clear distinction between transactional and transformational leaders in the modern political realm where the transactional leader exhibits system-maintaining behaviour, and the transformational leader exhibits system-changing behaviour with actions that change the course of history. Janice Stewart comprehensively chronicles an extensive body of academic work by Avolio (1999), Bass and Stogdill (1990), Burns (1978), and Leithwood (1992) on transformational and transactional leadership. According to her, Burns defines two types of leaders, transactional and transformational, where, “leaders evolve from a structure of motivation, values, and goals” (Stewart, 2006, p. 9). Transformational leaders are morally driven and interested in stimulating a higher purpose within followers, who in turn can also become leaders (Stewart, 2006). Comparatively, transactional leaders are interested in an exchanged value, intrinsic or extrinsic. It is the relationship interplay between leader and follower, the dynamics of social change, and human need that drives the leadership model (Stewart, 2006).

In the interest of focus, this research uses these definitions on transformational and transactional leadership by Burns. Joseph Nye (2008), using Burns’ (1978) definitions, then takes the transformational and transactional leader categories and provides a clear analysis of activities relating to international relations, power, politics and economics. It is at this stepping-off point that it is possible to see where the local transformational leader has evolved from the historical model.

At the local level, transformational leaders seek to change the course of their areas through new, innovative economic development plans to align the local economy with the global economy. These leaders have gone beyond the traditional mould of the local transactional elected leader and now act in an activist and legislative capacity previously reserved for politicians at the national level. They set forth exciting visions and then work to

rally supporters, followers and stakeholders to their cause. The transformational local leader studied here presents as self-empowered to explore new partnership models, new funding mechanisms, to personally negotiate with multinational corporations and to promote their areas at a global level for business and growth opportunities. These event-making activities place local areas on a different path for the future.

Neither is completely mutually exclusive and most leaders will contain elements of both transactional and transformational behaviours at various times or for various purposes, but in the context of this research, a local transformational leader is one who, given the current circumstances of the impact of globalisation at the local level, charts and leads a path for change that takes the local area in a new direction. It is also important to note that transformational leadership does not always mean effective leadership and transactional leadership does not always mean poor, for example, Adolf Hitler is often classified as a transformational leader. In addition, leaders can employ the tools of hard or soft power within either context of transformational or transactional leadership, where hard power is force and coercion and soft power is attracting and co-opting. To further complicate the matter, leaders can switch between these modes depending on the situation or need.

Several key points explored by Nye are worth noting in the context of globalisation and the local leader. First, a useful frame of reference is that “power always depends on the context of the relationship” (Nye, 2008, p. 28) between two people or entities. The local official is transformational and wields power only so much as the local circumstances allow and he or she takes advantage of the opportunity. This may mean that a leader only has power within that given context and potentially not on a larger scale.

Similar to Cerny’s framework for transnational neopluralism involving an ever-increasing web-like mesh, networks play a critical role in leadership at the local level. “Long-term trends in the economy and society such as globalization and the information revolution are increasing the importance of networks and changing the context of leadership. What is new today is that global networks are quicker and thicker. Networks build social capital that leaders can draw on to get things done” (Nye, 2008, p. 44). The ability to build and effectively use networks is critical for local leaders to gain momentum in their work, a trait that has also been described by Nye as integrative public leadership.

For the elected official, it means the ability to see the bigger picture and to fit the components together accordingly, grasping the concept of

a local economy within a global framework and considering how to best position the area.

As modern global cities face austerity measures on top of existing limited resources with which to leverage economic vitality, innovations and partnerships have gained growing attention as a means of stimulating local economies (Hutchinson, 1994; Lawless, 2001; Ram & Jones, 1998). Utilisation of these models and frameworks allows the impact of transformational local leadership in response to globalisation to be analysed and various conclusions to be drawn.

GOVERNMENT AND GOVERNANCE

Another critical distinction to highlight is the use of the terms “government” and “governance”, particularly on the local level. Local government is the form and level of government in direct day-to-day contact with the local population. It is at the bottom of the hierarchy for government systems within nation-states. For this reason, local officials feel they are uniquely placed to address global issues that have local implications for their constituents’ daily lives. The activity discussed in this research is one of governance at the local level. “Governance can be broadly defined as concern with governing, achieving collective action in the realm of public affairs, in conditions where it is not possible to recourse to authority of the State” (Stoker, 2000, p. 3). Using this definition allows exploration of a combination of influences from multiple levels—local, national, international and global—that are precipitating the changes at the local level from government to governance (John, 2000, 2001). Acts of governance inform an analysis of the shift in local structure from administrative-executor to legislative-activist. Governance is an important factor in this analysis because it helps to distinguish the local areas that thrive and decline.

A number of local governments have shifted their internal configurations from being structurally administrative-executor to a legislative-activist structure and from transactional to transformational forms of agency. Three questions are considered that relate to the role of local officials, as transformational leaders within a legislative-activist structure, who are seeking to position their areas as globally fluent and economically more independent and stable.

1. **What are they doing?** A number of local officials have taken advantage of the legislative-activist policy to access the global stage to engage in various activities, two of which are examined here. In one instance, local officials act as individuals on the global stage, empowered to act on behalf of their area. In the second instance, they act as part of a global network of cities or organisations that seek a collective benefit for local areas while acting outside central government.
2. **Why are they doing this?** Particularly at the local level, there are varying behavioural reasons for becoming a local councillor, which many would consider as the ultimate “bottom of the political barrel” with little monetary and personal rewards. What then, might motivate a local councillor to take a (big) step further and seek to influence and change an embedded system of government processes by connecting the local government to another level of global complexity? The responses are as varied and individual as politicians are themselves.
3. **Who are they doing this for?** Polling numbers from both the USA and UK indicate that trust in central government is at an all-time low while trust in local government remains steady (Gallup Inc., 2012, 2013; Ipsos Mori, 2012). The behavioural question of whom a local official represents when they take to the global stage could be reflective of the trust issue. They could be reacting to interest from multiple stakeholders: pressure emanating from local constituents, the business community or party allegiances; or they may be driven by a personal idealistic interest in representing innovation and ideas at a level outside or above geographic borders.

STRUCTURAL POLICY AND NEW ACTIVITIES

To fill a gap in resources and economic growth left by the shift from a welfare to competition state, some cities and areas have shifted their internal configurations from being structurally administrative-executors with an agency of transaction, to one of a legislative-activist structure with transformational agency. They have undertaken this action through creating new multi-stakeholder integrated partnerships beyond traditional local or national public-private arrangements. These new activities and forms of partnerships open up conduits for local delivery of services beyond the central government to local government-dependent system.

Consequently, an increasing number of local elected officials, mayors, councillors and other local representatives are seeking the global stage for solutions to local issues. From the lens of structure, the shift can be from administrative-executors, who administer local policy and execute national directives on the local level, to legislative-activists who actively lobby at multiple levels including global, and with multiple partners, to stimulate local economic growth. Concomitantly, the activity is explained through agency and represented as a shift from transactional to transformational. Transformational local leaders are then engaging on the global stage as legislative-activists, in a shift from the previous structural arrangement of city and local government as administrative-executors focused solely on local policy-making and constituent service.

The establishment of local representational offices in Brussels first appeared in 1985. Since that time, many local areas, local representatives or local associations have sought to register themselves with the EU transparency ledger for EU lobbying (Hooghe & Marks, 1996, p. 82). As of March 2014, the number of UK Local government local representatives registered stood at 307 (Ec.europa.eu, 2014). “Quantitative analysis of this phenomenon reveals that the regions having representation are not those that receive the most funding from the EU, or the poorest, most needy regions. Instead, the most politically entrenched, most ethnically and politically distinct regions” (Hooghe & Mark, 1996, p. 83). Further, Hooghe and Marks (1996, p. 86) state, “The regions that are represented directly in Brussels engage in both competition and cooperation, depending on the issue.”

Acting together in coordinated efforts and cross-national partnerships, subnational government have significant effect on supranational policy, particularly at the EU level. “At the core of multi-level governance is the argument that collective decision-making and the independent role of supranational institutions are eroding the sovereignty of national governments in Europe” (Bache, 1998, p. 22).

Historically, the local elected official acted as an administrator and deliverer of basic constituent services. Localities, and their representatives, were responsible for administering social services, managing infrastructure and maintenance in roads, borough-owned buildings and bridges, managing utilities and collaborating with national government on delivery of services, such as education and health care. The role of the local elected official was primarily transactional and focused on constituent service and administrative duties including balancing a local budget.

Over the past several decades, as budgets have tightened, local areas have struggled to maintain the delivery of basic services while attempting to spur economic growth. Local authorities have cut budgets, laid-off employees, outsourced services and, in some cases, consolidated or completely eliminated city services. As a result, some elected officials have embraced a role shift from administrator and deliverer of city services at the local level to becoming an activist, a legislator and innovative political entrepreneur at both the local and national levels. This new transformational local elected official endeavours to be all things to all people: an administrator providing constituent service, a legislator and activist developing and devising new policy in a new economy, a collaborative deal-maker and a charismatic leader with vision and communication skills to successfully guide followers through the new economic terrain. This form of local leadership does not follow the same old script; it requires “out-of-the-box” thinking and the ability to bring people or groups of people together to tackle seemingly intractable issues that were previously not on the local agenda. “In short, new conditions require a new style of public leadership” (Nye, 2008, p. 50).

The changing role of local leaders, whether they are politicians or entrepreneurs, is to now “do more than push, push, push for their proposals or for their conception of problems. They also lie in wait—for a window to open ... their readiness combined with their sense for riding the wave and using the forces beyond their control contributes to success” (Kingdon, 2003, p. 181). The local leader in the globalisation era who wants to invigorate local economic development pursues several fronts, to name a few: lobbying central government (if possible), forming creative public-private partnerships, sharing resources with other local areas and looking for funding outside their respective nation-state, types of activities that were not always part of the milieu of the local elected official. Elected officials are open to considering “out-of-the-box” arrangements for business models and funding mechanisms. These innovative models include: larger companies incubating smaller companies and creating spin-offs or legal joint partnerships; multi-use public-private spaces; youth pipeline education and job training for maths and science fields in collaboration with churches, schools and hospitals; recruitment of international businesses into shared businesses incubator spaces; and launching programmes with unsecured phased funding to create momentum. In addition, the local leader not only has to consider the needs of their area and how they may fit into the national economy, but they must look at the drivers of the global

economy, the supply chains of global cities and the entrepreneurs arising out of emerging markets in Brazil, China, India and Russia for integration into their own local economies. Leaders not only have to devise, incubate and grow new economies, but they also have to train their own workforces to be able to fill the demands of those new businesses which may require advanced technology skills. They need to approach these fronts in a collaborative local model with less and less funding support from central government. Finally, leaders need to accomplish this while not neglecting the basic public services that a diverse community needs to maintain itself: roads, schools, health services, local safety and more.

As local elected officials have been democratically elected, albeit at the lowest level of government, they carry a level of legitimacy when they interact with foreign representatives and undertake policy decisions for localities with national and international implications. They are engaging in these new policy activities in two ways:

1. Individual elected officials are independently empowered to take to the global stage and promote their areas and issues through interaction with world leaders, heads of state and global corporations.
2. Groups of international local elected officials are forming global networks to tackle crises or policy issues that they feel their respective central governments are not addressing.

The retreat of the welfare state and retrenchment of local authorities can manifest itself at the local level as a shift from government to governance. It is the shift to governance, possibly enabled by a legislative-activist structure, which facilitates the activities of the transformational local leader on the global stage.

Policy structures at the local level have changed which, in turn, act as a catalyst for a change in behaviour. The two are interdependent and the current activities cannot be explained through one lens alone. Activities of transactional local elected officials are bound and restricted by the policies within which they operate. The role of local government was previously well-defined as a service delivery agent for national and local programmes, and as an administrator of local ordinances with limited scope including the health and safety of its constituents, in terms of local advocacy or maintenance of local roads and rubbish collection. Activities at the local level were marginalised in most instances to structure-to-structure activity within a hierarchy. These interactions were primarily between state and

local government to carry out the prescribed work or activities, which were city to other domestic cities or city to foreign city for the purpose of marketing, trade and cultural twinning. Furthermore, at the international level, relations were conducted through both policies and actions between states. In the current manifestation of the phenomenon, a complexity of layers and activities is revealed that are between city and state structures, local individuals, networks and state and global structures as well as local individual to global individuals. The changes in structure are represented in Figs. 2.1 and 2.2.

The model represented in Fig. 2.1 is the traditional policy (administrative-executor) and behaviour (transactional). The city and the local elected official act together through the existing hierarchical structure to engage in actions with their nation-state, and between domestic and foreign cities. The activity between cities is generally limited to marketing, tourism and trade on a small scale. In this model, the city and the local elected official do not act independently of one another.

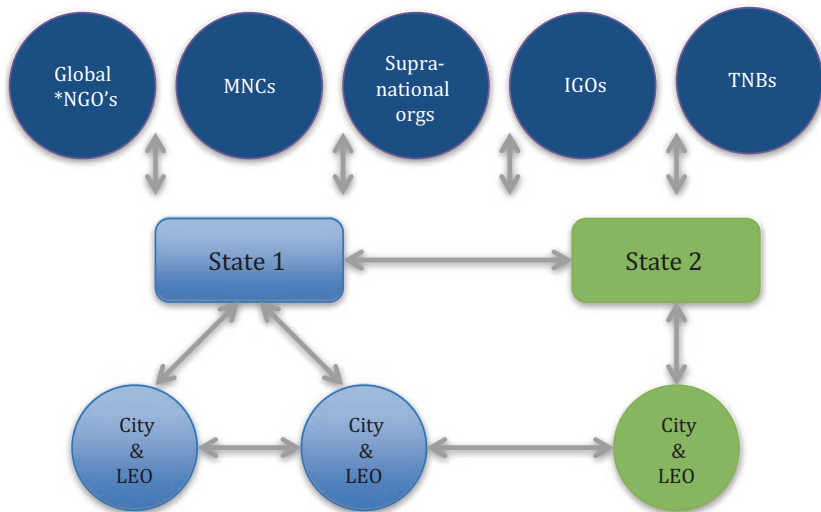


Fig. 2.1 Policy and behaviour in a traditional system: limited to traditional international relations (IR); representative of administrative-executor policy and transactional behaviour. *LEO Local Elected Official, NGO Non-Governmental Organisation, MNC Multinational Company, IGO Intergovernmental Organisation, TNB Transnational Banks

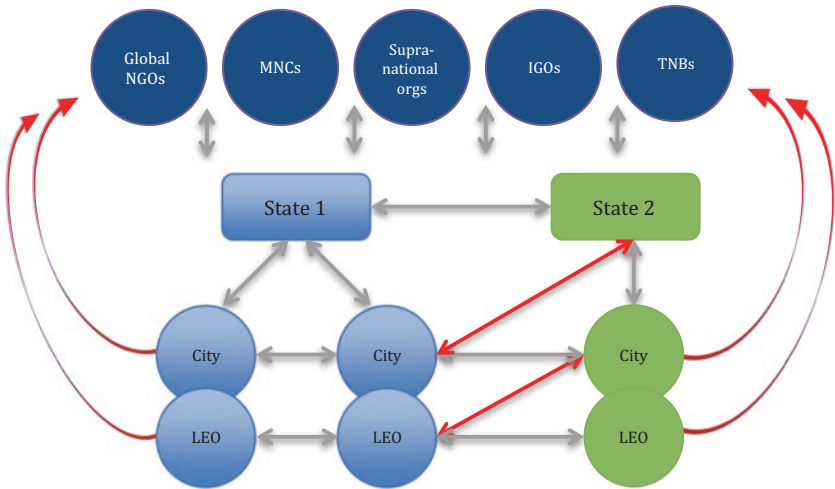


Fig. 2.2 Changing policy and behaviour: multiple complex interactions of both cities and local elected officials whilst maintaining traditional IR between states

In the second model, represented by Fig. 2.2, the city or the elected official can act independently of one another, outside the hierarchical policies and traditionally defined behaviours.

As Fig. 2.2 shows, it is not unusual or original for city leaders to meet and negotiate business deals or partnerships or to travel abroad in promotion of their areas. Indeed, under the Westphalian system of sovereign nation-states, the arrangement of twinning cities has occurred for nearly 200 years. The difference in the current climate of competition and globalisation is an aggressive and frequent presence of local elected officials on the global stage and interaction directly with foreign and supra-government departments and organisations. These local elected officials are now acting in an official role in diplomacy, global policy and finance and influencing a broad range of activities with international implications previously reserved for nation-state representatives. For example, while Mayor Julian Castro was in London in 2012, in addition to paradiplomacy activities at 10 Downing Street by meeting with the Chancellor of the Exchequer (Treasury Secretary) and the Foreign Secretary; activities more accurately represented by Fig. 2.2.

The role of city government and local elected officials has gone from a structural arrangement of an administrative-executor focused on local policy-making and constituent service to one based on behaviour requiring legislative-activism, manifesting itself as transformational leadership involving global engagement. The transformational local leader is driven to influence policies related to national or global policy-making, thus impacting on their areas as well as feeling empowered to act as a direct participant and negotiator with other state and non-state actors on the global stage. “Globalization does not mean that elites carry on as before, but that local leaders build alliances with businesses; think of new local solutions to policy problems, behave like entrepreneurs, abandon long held political shibboleths and link to higher level organizations to acquire resources” (John, 2001, p. 10).

Councillor Guy Nicholson (Nicholson Interview. Conducted by Amy Hochadel, personal communication, 2013), Hackney’s Cabinet Member for Regeneration, said that central government is “conspicuous in its absence in lack of providing direction or agenda” for economic development, and that local government has a far better grasp on the complexities of the interactions needed at the global level that can best influence local growth. Nicholson is not looking for central government to provide assistance, or make connections. He believes Hackney is in a position to act globally. Central government should maintain a focus on strategic international relations and debates, for example, issues of war or human rights, but at the local level it needs to “get out of the way and let local areas build a global-local economy without their imposing environment”. Nicholson (2013) recently posted his views in an opinion piece in *The Guardian* newspaper; without apology for working outside the traditional boundaries of the administrative-executor tactic, he wrote, “Our approach to growth in east London is to use local government and the business community, which is led by SMEs, to generate social and economic prosperity. If this means engaging in foreign travel to expand our reputation and generate trade, so be it.”

Member of Parliament, Stephen Timms disagrees that local elected officials can have any significant impact on these types of activities without the added benefit of a local structure that will enforce and enable the activity. His view is that individual councillors do not have the ability to influence without the power of the traditional institution to enforce their actions: “I think that is more effectively done by the institution which is the local planning authority, the local council, rather than an individual, because I

am not sure an individual councillor on their own can do it, unless they have got the stick of planning permission or something else which the local authority can bring to bear” (S. Timms, Timms Interview. Conducted by Amy Hochadel, personal communication, 2012). His views suggest that he places great emphasis on the ability of the institution to affect change, although in a London borough like Newham with an elected mayor, little innovative change has occurred in the last 15 years. In other boroughs like Hackney (also with an elected mayor), local elected officials are taking it upon themselves to branch out globally and affect change. Their actions have been evidenced by the growth of local industry connected to the global marketplace in fashion and technology. “Despite (or possibly because of) the growing constraints on local authorities, initiative and innovation flourish. It is no longer assumed that local authorities can only act through direct service provision. Local authorities are learning [new] ways of governing in a turbulent environment” (Stewart, 1986, p. 32).

Local elected officials on the global stage feel they are imbued with a sense of empowerment that gives them the right to be there and to engage in these activities. In Hackney, Councillor McShane (personal communication, 2012) discusses how the taps for funding to local government were turned off under the Thatcher years, 1980–1990, and then back on again under the Blair years, 1997–2007. After an undisciplined time of local spending, Hackney essentially went broke and is only now, post-2010, coming out of emergency administration. Hackney has chosen to retreat back to a set of core services, but local elected officials are simultaneously pursuing another route leading directly to the global market for investment in Hackney. Councillor Nicholson (G. Nicholson, Nicholson Interview. Conducted by Amy Hochadel, 2013) explains that although Hackney was recently in emergency administration, he feels justified spending city money on ventures into the global market, taking large delegations to global meetings and multinational business and networking events. He contends that central government is obstructive and needs to let local government participate directly in global activities with cities, governments, global organisations and companies so they can affect their own recovery. Nicholson feels that economic recovery, even recovery from emergency management, is best handled by local elected officials who understand the nuances of creating innovation across business, social and cultural communities from local to global. In response to critics of Hackney’s recent global activities, on a trip to Austin, Texas, Nicholson said:

This is an established global event bringing more than 250,000 people together from across the arts, sciences and humanities in a programme of exchange, networking, brokerage and trade. It's the Davos equivalent for innovation and tech. I don't have any qualms about Hackney Council's role in this venture. We are supporting collaboration and drawing on local strengths to pursue a set of common objectives, as well as showcasing some of the UK's most exciting businesses. This is what strong local government can excel at (2013).

Local elected officials, in addition to feeling empowered to act independently on the global stage to affect local change, are also forming networks with their peers globally to address global issues with significant local impact, for example, the economy, security and climate change. These activities occur outside the traditional structures of local or central government. "The stable institutional structures that governed western localities have been replaced by more changeable and shifting networks" (John & Cole, 1999, p. 99).

In 2012, Mayor Bloomberg of New York laid out the pragmatic argument: "We're the level of government closest to the majority of the world's people. We're directly responsible for their well-being and their futures. So while nations talk, but too often drag their heels—cities act" (New York City Office of the Mayor, 2012). Barber (2013), in advocating for a "global parliament of mayors" with formal powers, emphasises that these activities are not operating on the theoretical level. Local officials, functioning on the global stage, are interacting with each other, foreign counterparts, foreign leaders and multinational corporations. In this approach where local officials form global networks to tackle international crises or policy issues, the agreements or decisions they reach or actions they seek to undertake may exceed the commitments of their respective nation-states.

The rise of global cities as interdependent networks enmeshed in globalisation is well documented in the literature, particularly as it relates to international trade, finance, technology and issues of labour and migration (Brenner, 1998; Cerny, 2010b; Friedmann & Wolff, 1982; Knox & Taylor, 1995; Sassen, 1991, 2000, 2001). The system of interdependence continues to expand so that local elected officials are now using the model to stimulate action on global issues that have a considerable impact on local growth and general well-being. These local issues have lacked in progress by the nation-state. At times, the agreements to which they sign up can

achieve more than the nation-states were able to accomplish individually. In particular, issues including terrorism and security, food, health (including the threat of pandemics) and climate change are being addressed at the global level by networks of local elected officials from cities both big and small. “As cities seek to make progress in areas of greatest concern to their mayors and constituents, they have formed or strengthened networks that enable them to cooperate internationally often independently of their national governments” (Freeman, 2013). At the global level, institutions, activists and issue leaders indicate that nation-states are too bound by rules, protocol and bureaucracy to engage in any activities that can have an impact significant enough to address the issues. There is a sense of cities becoming the new institutions with the knowledge and leadership to tackle the issues and share the learning to impact change. Mexico City Mayor Ebrard (2010) further made the case for global knowledge sharing: “Mayors and urban leaders are on the frontline of the planet’s fight against a changing climate. The world’s cities must join together and put their data in the same pot.”

The changing role of cities and city leaders in these activities is conveyed by Acuto and Khanna (2013) stating: “From climate change to economic growth to counter-terrorism, cities and city leaders are demonstrating their growing assertiveness as autonomous diplomatic units.” One clear example lies in a recent string of agreements between global cities and their elected local officials to engage in an aggressive set of actions to combat global climate change that go beyond the International Kyoto Treaty which did not win unanimous agreement amongst participating nations (ICLEI, 2012; Krause, 2011; Lee & Koski, 2012; Lefèvre & Wemaere, 2009; Okereke, Bulkeley, & Schroeder, 2009). The implication is that the global battle for climate change is no longer relegated to foreign relations or “green” activists, but that agreements and action are being taken at multiple levels of government and within both international and inter-city networks. At the December 2012 Doha Climate Change Conference, a new tack was pursued to achieve greater impact in the global battle against climate change. In order to extend the Kyoto Treaty and to move towards achieving some of its objectives, local cities and regions were enlisted to “sign up” and work towards the goals laid out within the agreement. The International Council for Local Environmental Initiatives states:

ICLEI strongly believes in the potential of local governments to pave the way towards the achievement of the Doha Gateway. In Doha, local

governments demonstrated progress on the implementation of global climate initiatives like Mexico City Pact and Durban Adaptation Charter. Recent statistics from carbon-n Cities Climate Registry, the world's largest database on local climate action that 232 cities from 25 countries representing 235 million inhabitants have reported 557 energy and climate commitments. (2012)

Regardless of signing up to the Kyoto Treaty, many cities (including Vancouver, Sydney, Seattle and Toronto) have made commitments and achieved results that exceed those of their respective nations on climate change (Acuto & Khanna, 2013).

If you look at the attempts to follow up Kyoto at Copenhagen and Rio, the bad news was that about 180 nations showed up to explain why their sovereignty did not permit them to do anything. The good news, however, was that mayors were convening as well as heads of state. They stayed on, signed protocols and took action. You can take it a step further. It turns out that about 80 percent of all energy is used in cities and 80 percent of global carbon emissions come from cities with more than 50,000 people. Therefore, if cities take strong measures—as well as Amsterdam, Los Angeles cleaned up its port and reduced carbon emissions by 30 percent to 40 percent—they will have a profound effect. Even if the US and China do nothing, cities can have a big role to play in fixing the problem. It's not just a theoretical thing. (Barber, 2012)

On the issue of global-local security, the New York Police Department Counter Terrorism Unit provides a good illustration. The Unit acts in the same capacity as national intelligence and espionage agencies but does so for safety and security on the local city level. The officers involved in the Unit experience unprecedented access to foreign intelligence, including access to foreign prisoners. As revealed in *The New Yorker* magazine:

Frustrated by the lack of help from Washington, police commissioner Ray Kelly has created his own versions of the CIA and the FBI within the department. There are now New York City police officers stationed in London working with New Scotland Yard; in Lyons at the headquarters of Interpol; and in Hamburg, Tel Aviv, and Toronto. There are also two cops on assignment at FBI headquarters in Washington, and New York detectives have traveled to Afghanistan, Egypt, Yemen, Pakistan, and the military's prison at Guantánamo Bay in Cuba to conduct interrogations. (Horowitz, 2003)

The New York Police Department felt that they were not receiving the level of detail and the type of intelligence that would assist them in thwarting future attacks on the city. There was a general sentiment that the nation-state was still not in a position to overcome the various disconnects between national intelligence agencies and international intelligence-sharing which led to the 9/11 attacks in 2001. New York's solution was to create its own international intelligence unit that would work on the global level for the benefit of the local area. In an interview with *New York* magazine, NY Police Commissioner Ray Kelly said, "I knew we couldn't rely on the federal government. We're doing all the things we're doing because the federal government isn't doing them. It's not enough to say it's their job if the job isn't being done" (Horowitz, 2003). In fact, the NYPD Counter Terrorism Unit has become so effective that the Federal government sends agents to train with it rather than the other way around (Horowitz, 2003). The fact that other nations are cooperating with the New York Police in this endeavour and providing a high degree of information and access indicates a significant structural shift and level of acceptance of local resources to affect a global issue.

The trend of local elected officials responding to global crises and critical issues, alongside operating on the global stage to promote themselves and their areas, suggests that this will increase in the near future. Those transformational leaders who are willing to look outside the nation-state box, recognising there is no other alternative, will continue to use the global stage along with international technology, media fronts and networks; they will use the power of the individual elected official pulpit to form relationships, gain access, and influence global policy, leaders and institutions (Freeman, 2013).

BEHAVIOUR AND MOTIVATION

The retreat of the welfare state and shrinking of local budgets have increased localisation and decentralisation, and the pervasive rise of the competition state has left gaping economic voids at the local level (Held, 1999; Held & McGrew, 2003; Krugman & Venables, 1995; Stiglitz, 2002, 2006, 2012; United Nations, 2005, 2011). Transformational local leaders are stepping into these voids, perhaps because they have no choice: "The reason that would-be leaders are always ready to try their hand at ruling seems to be because they have little other choice ... any vacuum in leadership seems to unleash powerful social and biological forces within potential candidates

to ensure that any power void will not exist for too long” (Ludwig, 2002, p. 13). Local transformational elected officials are being buoyed in their efforts by a growing distrust of central government.

There are many reasons for choosing to run for local office or seek civil appointment. Local politicians may be motivated by an issue that has an impact on their daily life which they seek to improve, such as children’s services (because they are a teacher, social worker or parent), local business issues (because they are a local business person), or crime (as it affects their own neighbourhood). There may be a family tradition of political engagement or simply an interest and ambition towards public service. There may also be the self-serving interests of power, financial (or other) incentives or interest in rising to higher office. However, what this research seeks to understand is not what compels an individual to seek a local elected office but why, once in local office, they may feel empowered to work on both local and global levels. Any of the areas identified above can be the motivation of transaction or transformational leaders. However, the purpose here is to consider the motivation for a local official to act in a way that breaks from past protocol or process, thus leaving or rejecting the traditional transactional behaviour of local elected officials and adopting “out-of-the-box” transformational activity beyond the local arena.

Through this research, two reasons were identified that indicate why local elected officials feel empowered to take to the global stage; however, they are not necessarily mutually exclusive. Firstly, an individual’s action appears to be based on a personal political agenda, related to party or higher level-office, in which they have a drive towards a lifetime career as a politician or as a stalwart party supporter; or secondly, they may be influenced by a public service agenda where individuals or groups are seeking multiple solutions at multiple levels to address serious economic grievances at the local level. It appears that both paths are induced by a vacuum of leadership and diminished resources left by central government’s imposition of the competition state in local areas.

The political agenda scenario, already alluded to, is the local elected official raising their profile to seek higher, frequently national, office. In most cases where this has been encountered, the elected official has a genuine interest in serving the local constituents and helping the local economy to thrive; however, they also know that in doing so they are clearing a path for rising within the party and through the political ranks.

When Julian Castro led the delegation of San Antonio businessmen to London in 2012 to promote regional cross investment:

Castro told British government and business leaders Monday that he brought a trade delegation to the United Kingdom to ensure that San Antonio finds itself “on their radar screen.” But it appears that San Antonio is already more than a blip—and it’s Castro who has helped raise the city’s profile. [George] Osborne said his country has been impressed by the Castro administration. (Baugh, 2012)

Although the discussion during the private meetings is not fully known, the access alone that was given to Castro suggests a level of influence and power. Julian Castro is considered a “rising star” within the US Democratic Party and has taken to the national stage as the keynote speaker at the 2012 Democratic National Convention to nominate Barack Obama as the party’s candidate for President. While promoting his representative area on the global stage, without doubt Castro was raising his own profile as an international political player. During his trip to the UK, Castro posted pictures on social media of his visit to 10 Downing Street. In doing so, he was demonstrating to not only his own constituency but also a broader audience that he had access to global leaders. In this instance, Castro was using his global efforts in two ways: helping to increase the economic growth of his local area while simultaneously raising his own political profile at a national and international level.

In the UK, in smaller cities and metropolitan boroughs, the motivation for seeking the global stage is not only limited to someone seeking higher office, but might also be influenced by a steadfast commitment to support their party’s fight for national office. “Party elites control most decisions in large English local authorities, structuring policy outputs, largely because local parties still have control over the selection of candidates and promotion” (John, 2013, p. 8). However, the second motivation of an altruistic commitment to public service and a broader commitment to global innovation in ideas is also prevalent. For example, Councillor Jonathan McShane in the London Borough of Hackney strongly demonstrated an altruistic motivation for acting in concert with global activities. He also indicated that he has no intentions to seek higher office, although some elected officials maintain this line until they make a final decision to run for higher office. The McShane family also has strong party ties to Labour as Councillor McShane’s brother, Chris McShane, was a top advisor in the Blair administration. Regardless, this research indicates that for transformational local elected officials, the pull of higher office in political parties is a strong motivator.

Analysing the effectiveness and impact of the political leader in the UK system since the Local Government Act 2000 (Gains et al., 2009, p. 81) has shown “this change is most marked in the metropolitan borough councils that have seen an increase in the proportion of councils giving their leaders more power.” This research finds that where a shift has been made towards a more legislative-activist structural policy (thus rejecting an administrative-executor structure), the leadership is able to accomplish more in terms of seeking external economic development focused towards the borough and, in turn, may receive higher confidence ratings from constituents. Furthermore, a “strong and stable political leadership emerges as a warrantable and vital element in achieving more effective governance: leadership, and institutional form that supports leadership, does make a difference” (Gains et al., 2009, p. 91). This form of motivation is also echoed in whom the local elected official feels they represent (their party, their local area, their nation or themselves) and conversely in whom a constituency wants to represent them.

In UK local boroughs and small cities, few councils have opted for the local elected mayor structure. In Greater London, five boroughs have opted for an elected mayor (including the flagship post of Mayor of London) rather than a leader and cabinet structure. As of 2014, there were a total of 15 elected mayors across all of England. In the case studies (Chap. 5), some initial conclusions are drawn after examination of boroughs which have either the structure of the elected mayor or that of the traditional council-manager. John (2013) contends that power in the UK lies in becoming a major player within the political party rather than working up through local government. “There were few mayors elected, partly from the lack of enthusiasm from within local government, and the cabinets that have come to dominate local government largely extend and formalise the party elite systems of political management...” (John, 2013, pp. 18–19).

In the second scenario of overall motivation, where local elected officials reach out individually or within networks to address local issues, there is research which supports the idea of multi-level governance (Bache & Flinders, 2004; Baker, Hudson, & Woodward, 2005; Hooghe & Marks, 1996, 2001; Marks, 1996) and transnational neopluralism (Cerny, 1990, 2010a, 2010b; Mcfarland, 2004; Wade, 2009) as a pathways to the global stage for local cities and areas. Marks, Nielsen, Ray, and Salks (1996) researched whether there was any significant increase in the number of established permanent offices in Brussels for local areas in order to

influence and lobby the EU political process. As they point out, the EU is designed as a state-centred system with formal representation and activities only ascribed to those member states and their official representatives and yet the level of activity of local areas has continued to increase. With 286 local areas officially registered as “lobbyist” within the EU transparency ledger (Ec.europa.eu, 2014; Marks et al., 1996, pp. 164–92) argues that the motivation is not based on the slim possibility of small amounts of funding coming to the local areas from the EU, but is in fact motivated more by information sharing which local areas feel will be of benefit in tackling local issues. While local areas should be lobbying their central government for local issues, they are now seeking to “increase their options” by diversifying their efforts across national, international and global fronts. The benefit has been felt both ways. The EU uses the local areas as a resource for informational-gathering that expands their knowledge beyond the sometimes limited and measured information shared by central governments. Local areas then gain access to, and a level of influence in, EU issues, and they attempt to have their own voice heard outside of central government. In this way, local areas may also avoid the strict protocols and infighting that can sometimes occur and which can stall talks between member states. Councillor Guy Nicholson, Hackney’s Cabinet member for Regeneration, said that local government and local councillors need to be “confident enough to enable and participate” in global activities to foster growth of a local economic community (G. Nicholson, Nicholson Interview. Conducted by Amy Hochadel, 2013).

Whether necessity is the motivator or the catalyst, local elected officials are working at multiple levels of government and attempting to re-align local economies with the global economy as both a form of diversification and last resort in a global competition economy.

BEHAVIOUR AND REPRESENTATION

Similar to the different motivations expressed by a person running for local office, a local official may point to several interest groups to demonstrate whom they feel they represent. However, the question considered here is not simply whom do they represent, but whom do they feel they are representing when they are on the global stage?

In this research, four types of local councillors are identified to help explain “representation”, based on their desire to act either on the local level or jointly on both the local and the global level: the public servant,

the party loyalist, the nationalist and the idealist. From a public servant perspective at the most basic level, one option is that local elected officials believe they are representing the interests of the voters in a specific ward, or at borough-level, who placed them in office. In this case, the local elected official attempts to be responsive to basic needs and services in line with the administrative-executor structure and by operating within a transactional style. In the interviews conducted for this research, the public servant who only sought to represent the constituents in their ward or borough did not usually look beyond national government but worked hard to maintain the status quo. They were usually committed individuals with a love or deep interest in “taking care” of their fellow citizen, yet they worked within a narrow range of options to address their issues.

Similarly, the party loyalist, who sees himself as representing the interests of the Political Party, also works hard to maintain the image of the party in a positive light with local constituents, or at least with local voters. He or she sees this as “paying dues” if they wish to rise in the party ranks, or simply as closing ranks around a geographic stronghold if they are a stalwart elected local party official. If it is beneficial for the party that the local elected official works at the local and global level, he or she will do what is required of them to serve the party. The focus of the party loyalist is a more inward-facing role and does not readily seek the global stage unless there is a benefit for the party overall, in which case the activity is most likely carried out by someone higher up the party hierarchy, possibly in a position of power at the national level.

There are two additional categories that were found among those elected officials who were engaging in global activities: the nationalist and the idealist. The local elected official who is a nationalist sees their role, and whom they represent, in broader terms. They feel that what they do, and the issues they pursue for their local area, can help the country as a whole to recover economically. In the interviews, they held up their activities as examples of innovation in economic development that could be emulated by other areas and the nation. For example, in the town of Woking in Surrey, energy consumption was cut by nearly 50% by an aggressive and innovative multipronged approach to alternative energy measures. The Mayor of London then poached the head of this programme to pave the way for implementation of similar programmes in the capital, which is responsible for a large portion of the overall CO₂ emissions in England (Muir, 2005).

The idealist has similar feelings and motivation but on a broader scale. They are not limited to the influence of their “good works” simply being of benefit to a local area or country but as addressing issues at a higher level, thus tackling issues with global impact. Their innovations are held up as examples—not just locally or nationally but also internationally—for advancing solutions in the area of economy, security or climate change. Some members of Hackney Council seem to be leaning towards the idealist form of representation: “The opportunity to explore relationships that bring together different markets is compelling. These relationships can help tackle poverty through trade, education and local civic leadership—a very exciting future indeed” (Nicholson, 2013).

The trend for local boroughs, cities and local areas to be leaders of global issues also raises interesting questions of competition both within a country and internationally. An area for future research may be to look at inter-city global competition and the “poaching” of transformational leaders, idealists and entrepreneurs for local gain in a global economic arena. This development is already witnessed in the area of security as multiple localities and metropolitan areas have lured US police chiefs and regional security leaders to their cities. For example, the recent move by Damian Green, Minister of State for Policing, Criminal Justice and Victims in the Conservative government (2010–15) allowed Police and Crime Commissioners “to choose their chief constable not only from the senior ranks in the United Kingdom, but also from other countries with a similar legal framework and policing model to ours” (Home Office and Ministry of Justice, 2013).

On the flip side of this issue (and linked to the idealist form of representation) is an interesting conundrum of whom citizens feel may best represent their interests. Whom do they trust to represent them? Are they looking to central government to realise their interests and welfare or to local government? The answer to these questions may provide an opening for local officials, particularly transformational leaders with an idealist concept of representation, to act with a level of legitimacy on the global stage, especially if they feel empowered by those who elected them.

It seems the issue may be about trust and confidence bestowed upon local elected officials by their constituents which grants them “permission” to access and influence the global stage. Local elected officials are taking to the global stage to influence and act upon global policy and issues with support and backing from the populaces of their respective local areas.

The general public, in both the USA and UK, have a very high level of trust and confidence in local elected officials and, contrastingly, have the reverse in nationally elected officials or in members of parliament.

In US-based polls conducted by Gallup (Gallup Inc., 2012), between 65% and 74% of those polled expressed trust and confidence in state (not federal) and local governments. In a similar Gallup Poll in the USA (2013), over 81% of those polled felt little or no trust in the national government. In the UK, a poll was recently completed by the Local Government Association (2013), which indicated that 65% of respondents trusted their local government while 34% trusted parliament, representing a gap of 31%. Similarly, when asked in an Ipsos Mori poll (2012) if they thought “in the long term, this government’s policies will improve the state of Britain’s public services” only 31% agreed while 63% disagreed.

CONCLUSION

This chapter has supported the hypothesis by first outlining developments that have led to this outcome: namely, paradiplomacy efforts, transitions from government to governance and local elected officials as transformational leaders. Paradiplomacy efforts after the 1970s oil crisis were the first attempts of local areas to reach beyond their borders in a form that mirrors diplomacy at the national level. Those initial efforts have since led to full-blown international relations activities by local areas on the global stage. The transition from local government to local governance has been the catalyst that has allowed local governments to realise their potential outside the traditional confines of the administrative-executor structure. The successful move to governance by some local governments has provided its officers with the confidence to work more effectively and in new and innovative ways. This transition was facilitated and unlocked by the legislative-activist structure. However, both paradiplomacy efforts and a shift to governance can only be realised by a concurrent move towards more transformational local elected officials who are willing to undertake the complex and entrepreneurial work.

The chapter then outlined the new phenomenon as a function of three areas related to attaining global fluency: new activities in which local elected officials are engaging, what is motivating the activity, and how the concept of representation is reflected. The strength of the argument has been significantly bolstered and reinforced by the recent work on global

fluency by Clark and Moonen (2013), who have identified ten traits that make local areas more economically successful in a globalised world.

The chapter outlined changes in local structures of two types of activities that elected officials are engaged in on the global stage: acting independently as an individual to promote and seek solutions to local issues; and acting as part of new global networks to address the implications of global issues on local areas. A few of the global issues that the networks seek to address include security and climate change. Local elected officials indict the impediments of national governments while local areas face the increasing implications of these issues.

Agency, in the form of motivation by local elected officials on the global stage, is generally presented as two non-mutually exclusive options. First, those who have easy access to the global stage see it as an opportunity to couple their current work with personal profile-raising in hopes of higher offices. In this case, local elected officials may be engaging in paradiplomacy efforts as a way of building an international network of support to bolster their personal political aspirations. However, the research finds that they are usually coupled with some idealistic motivation based on necessity and the best interest of the polis. In the second instance, local elected officials are driven by a desire for local public service. In most cases this idealistic drive derives from one of necessity due to a lack of critical support and services from central government. In this case, elected officials, seeking a diversification of their economic activities to the global stage, have found a mutually beneficial arrangement with international and global organisations in which they otherwise have no legal standing.

The question of agency as representation is also considered as non-mutually exclusive forms of “nationalist” and “idealist”. In the pure form of the nationalist, they are seeking the global stage to represent their local constituents while simultaneously holding up their solutions as viable answers and examples for the nation. The polling of trust in local government versus central government may also be a factor that influences local elected officials to work for a broader constituent group than their polling ward. Polls show the general national population does not feel that solutions to their issues will come from central government. There is also the notion of idealistic representation at a higher level. The notion of representation in this case is more conceptual, as elected officials seek to find solutions to issues that are affecting not only their constituents but also people around the globe in similar situations. It is in this respect that issues such as security and climate change are being addressed. It is becoming

increasingly recognised that entrepreneurial leadership “is crucial in helping to find new economic futures for cities, their businesses and residents” (Office of the Deputy Prime Minister, 2006, p. 13).

As more and more cities begin to see themselves as “global cities” and change their internal polices and behaviours to match, the reality of local participation at the global level is likely to exponentially increase. This phenomenon comes about as a direct result of a former top-down national government singularity which has now become the catalyst for a bottom-up local government economic practicality for cities seeking to survive in the global era.

REFERENCES

- Acuto, M., & Khanna, P. (2013). Nations are no longer driving globalization’ cities are [online]. *Quartz*. Retrieved February 1, 2014, from <http://qz.com/80657/the-return-of-the-city-state/>
- Adonis, A. (2014). *Mending the fractured economy: Smarter state, better jobs. The Adonis Review*. London: Policy Network.
- Avolio, B. (1999). *Full leadership development*. Thousand Oaks, CA: Sage Publications.
- Bache, I. (1998). *The politics of European Union regional policy*. Sheffield, England: Sheffield Academic Press.
- Bache, I., & Flinders, M. (2004). *Multi-level governance*. Oxford: Oxford University Press.
- Baker, A., Hudson, D., & Woodward, R. (2005). *Governing financial globalization*. London: Routledge.
- Barber, B. (2012, Winter). Can cities save us? *RSA Journal*, 2012, 20.
- Barber, B. (2013). *If mayors ruled the world*. New Haven, CT: Yale University Press.
- Bass, B., & Stogdill, R. (1990). *Bass & Stogdill’s handbook of leadership*. New York: Free Press.
- Baugh, J. (2012). Castro wraps up London trip [online]. *San Antonio Express-News*. Retrieved January 31, 2014, from <http://www.mysanantonio.com/business/article/Castro-wraps-up-London-trip-4055075.php>
- Beauregard, R. (1995). Theorizing the global-local connection. In P. Knox & P. Taylor (Eds.), *World cities in a world system* (1st ed., pp. 232–248). Cambridge, UK: Cambridge University Press.
- Borraz, O., & John, P. (2004). The transformation of urban political leadership in Western Europe. *International Journal of Urban and Regional Research*, 28(1), 107–120.

- Brenner, N. (1998). Global cities, glocal states: Global city formation and state territorial restructuring in contemporary Europe. *Review of International Political Economy*, 5(1), 1–37.
- Burns, J. (1978). *Leadership*. New York: Harper & Row.
- Cerny, P. (1990). *The changing architecture of politics*. London: Sage.
- Cerny, P. (1997). Paradoxes of the competition state: The dynamics of political globalization. *Government and Opposition*, 32(2), 251–274.
- Cerny, P. (2010a). The competition state today: From raison d'Etat to raison du Monde. *Policy Studies*, 31(1), 5–21.
- Cerny, P. (2010b). *Rethinking world politics*. New York: Oxford University Press.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Dahl, R. (1961). *Who governs?* New Haven, CT: Yale University Press.
- Duchacek, I. (1986). *The territorial dimension of politics within, among, and across nations*. Boulder, CO: Westview Press.
- Duchacek, I. (1990). Perforated sovereignties: Towards a typology of new actors in international relations. [S.l.]: [s.n.].
- Ebrard, M. (2010). World mayors council on climate change—Mexico city pact [online]. Worldmayorscouncil.org. Retrieved February 1, 2014, from <http://www.worldmayorscouncil.org/the-mexico-city-pact.html>
- Ec.europa.eu. (2014). Homepage—Transparency register [online]. Retrieved February 2, 2014, from <http://ec.europa.eu/transparencyregister/info/homePage.do>
- Freeman, C. (2013). Saisphere: The power of cities: Mayors on the world stage [online]. Media.sais-jhu.edu. Retrieved February 1, 2014, from <http://media.sais-jhu.edu/saisphere/article/power-cities-mayors-world-stage>
- Friedmann, J., & Wolff, G. (1982). *Future of the world city*.
- Gains, F., Greasley, S., John, P., & Stoker, G. (2009). The impact of political leadership on organizational performance: Evidence from English urban government. *Local Government Studies*, 35(1), 75–94.
- Gallup Inc. (2012). In U.S., trust in state, local governments up [online]. Gallup.com. Retrieved February 2, 2014, from <http://www.gallup.com/poll/157700/trust-state-local-governments.aspx>
- Gallup Inc. (2013). Trust in government: Gallup historical trends [online]. Gallup.com. Retrieved February 2, 2014, from <http://www.gallup.com/poll/5392/trust-government.aspx>
- Geddes, P. (1915). *Cities in evolution*. New York: H. Fertig.
- Held, D. (1999). *Global transformations*. Stanford, CA: Stanford University Press.
- Held, D., & McGrew, A. (2003). *The global transformations reader*. Cambridge, UK: Polity Press.

- Heseltine, M. (2012). *No stone unturned: In pursuit of growth*. London: UK Government Department for Business, Innovation and Skills.
- Home Office and Ministry of Justice. (2013). This written ministerial statement was laid in the House of Commons on 14 October 2013 by Damian Green, and in the House of Lords by Lord Taylor of Holbeach.
- Hooghe, L., & Marks, G. (1996). Europe with the regions: Channels of regional representation in the European Union. *Publius: The Journal of Federalism*, 26(1), 73–92.
- Hooghe, L., & Marks, G. (2001). *Multi-level governance and European integration*. Lanham, MD: Rowman & Littlefield Publishers.
- Horowitz, C. (2003). The NYPD's war on terror [online]. NYMag.com. Retrieved February 1, 2014, from http://nymag.com/nymetro/news/features/n_8286/
- Hutchinson, J. (1994). The practice of partnership in local economic development. *Local Government Studies*, 20(3), 335–344.
- ICLEI (2012). Cities hold the key to Doha Climate Gateway, ICLEI concludes after UN Climate Conference.
- Ipsos Mori. (2012). *Understanding society: Evolving public services, evolving public opinion*. London: Ipsos Mori Publishing.
- John, P. (2000). The Europeanisation of sub-national governance. *Urban Studies*, 37(5–6), 877–894.
- John, P. (2001). *Local governance in Western Europe*. London: SAGE.
- John, P. (2008). Local government in the United Kingdom. *British Politics*, 3(3), 418–419.
- John, P. (2013). The great survivor: The persistence and resilience of English local government.
- John, P., & Cole, A. (1999). Political leadership in the new urban governance: Britain and France compared. *Local Government Studies*, 25(4), 98–115.
- Kingdon, J. (2003). *Agendas, alternatives, and public policies* (2nd ed.). Boston, MA: Little Brown.
- Knox, P., & Taylor, P. (1995). *World cities in a world-system*. Cambridge: Cambridge University Press.
- Krause, R. (2011). Policy innovation, intergovernmental relations, and the adoption of climate protection initiatives by US cities. *Journal of Urban Affairs*, 33(1), 45–60.
- Krugman, P., & Venables, A. (1995). Globalization and the inequality of nations. *The Quarterly Journal of Economics*, 110(4), 857–880.
- Lawless, P. (2001). Community economic development in urban and regional regeneration: Unfolding potential or justifiable scepticism? *Environment and Planning C, Government & Policy*, 19(1), 135–155.
- Lee, T., & Koski, C. (2012). Building green: Local political leadership addressing climate change. *Review of Policy Research*, 29(5), 605–624.

- Lefèvre, B., & Wemaere, M. (2009). *Post-2012 climate change agreement-fitting commitments by cities: Political, economic, technical and legal aspects*. Paris, France: Institut du développement durable et des relations internationales (IDDRI).
- Leithwood, K. (1992). Transformational leadership: Where does it stand? *Educational Leadership*, 49, 8–12.
- Local Government Association (LGA). (2013). *Building trust*. London: Local Government Association.
- Ludwig, A. (2002). *King of the mountain*. Lexington: University Press of Kentucky.
- Marks, G. (1996). An actor-centred approach to multi-level governance. *Regional & Federal Studies*, 6(2), 20–38.
- Marks, G., Nielsen, F., Ray, L., & Salk, J. (1996). Competencies, cracks, and conflicts regional mobilization in the European Union. *Comparative Political Studies*, 29(2), 164–192.
- McFarland, A. (2004). *Neopluralism*. Lawrence: University Press of Kansas.
- Michelmann, H., & Soldatos, P. (1990). *Federalism and international relations*. Oxford, England: Clarendon Press.
- Mills, C. (1956). *The power elite*. New York: Oxford University Press.
- Muir, H. (2005). Wake-up call from woking [online]. *The Guardian*. Retrieved February 2, 2014, from <http://www.theguardian.com/society/2005/jun/29/environment.interviews>
- New York City Office of the Mayor. (2012). Mayor Bloomberg launches new C40 global networks to support sustainable policy and generate economic growth in cities around the world.
- Nicholson, G. (2013). South by North-East? Business trips abroad can build global links [online]. *The Guardian*. Retrieved January 31, 2014, from <http://www.theguardian.com/local-government-network/2013/mar/26/hackney-council-sxsw-local-government-trips>
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.
- Office of the Deputy Prime Minister. (2006). *State of English cities*. London: Office of the Deputy Prime Minister. p. 13.
- Okereke, C., Bulkeley, H., & Schroeder, H. (2009). Conceptualizing climate governance beyond the international regime. *Global Environmental Politics*, 9(1), 58–78.
- Ram, M., & Jones, T. (1998). Ethnic Minorities in Business [online]. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship. Retrieved August 23, 2015, from <http://ssrn.com/abstract=1510004>
- Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA). (2015). *Devo Met: Charting a path ahead*. London: RSA.
- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.

- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2004). Local actors in global politics. *Current Sociology*, 52(4), 649–670.
- Stewart, J. (1986). *The new management of local government*. London: Allen & Unwin. For the Institute of Local Government Studies, University of Birmingham.
- Stewart, J. (2006). Transformational leadership: An evolving concept examined through the works of Burns, Bass, Avolio, and Leithwood. *Canadian Journal of Educational Administration and Policy*, 54, 1–29.
- Stiglitz, J. (2002). *Globalization and its discontents*. New York: W.W. Norton.
- Stiglitz, J. (2006). *Making globalization work*. New York: W.W. Norton.
- Stiglitz, J. (2012). *The price of inequality*. New York: W.W. Norton.
- Stoker, G. (1991). *The politics of local government*. London: Macmillan.
- Stoker, G. (1998). Governance as theory: Five propositions. *International Social Science Journal*, 50(155), 17–28.
- Stoker, G. (2000). *The new politics of British local governance*. New York: St. Martin's Press.
- Stone, C. (1995). Political leadership in urban politics. In D. Judge, G. Stoker, & H. Wolman (Eds.), *Theories of urban politics* (1st ed., pp. 96–116). London: Sage.
- United Nations. (2005). *The inequality predicament report on the world social situation 2005*. New York: United Nations Publishing. A/60/117/Rev.1, ST/ESA/299.
- United Nations. (2011). *The report on the world social situation: The global social crisis. The world social situation*. New York: United Nations Publishing.
- Wade, R. (2009). Beware what you wish for: Lessons for international political economy from the transformation of economics. *Review of International Political Economy*, 16(1), 106–121.
- Weber, M. 1930 [1904]. *The Protestant ethic and the spirit of capitalism* (Talcott Parson, Trans.). New York: Charles Scribner's Sons.
- Woods, N. (1998). Editorial introduction. Globalization: Definitions, debates and implications. *Oxford Development Studies*, 26(1), 5–13. Taylor & Francis.

Local Entrepreneurs Go Global

In the financial district of London is a financial-technology company owned by an Indian-British entrepreneur. In describing himself, his business and his transnational identity, he states:

It's my roots. I was born and brought up in India and it is always a great feeling to be recognised by the community because there is a strong sense of belonging. I have not detached myself from India, I will never be able to do that, and I don't want to be detached. I maintain the relationship with the Indian community here in London, my relationship with India and my relationship with the UK. If I can be a little bridge, that can help bring UK and India closer in a trade sense, I am happy to play that role. (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, personal communication, 2014)

This same entrepreneur is equally, civically invested in London as he is in his local hometown in India. In the UK he is involved in policy and politics at the local level. He voices his opinions and uses his position to influence those in power as he can. He has a personal interest in political office, and although he says he does not think he would want to be an elected official, he has not ruled it out either. As a local leader he wants to use his business position and privilege to have an impact on his local community both in London and India. This is a reoccurring theme from transnational entrepreneurs, based and engaged locally, whilst operating in the global marketplace.

Transnational ethnic entrepreneurs are transmigrants running their own businesses in two or more nations where they are culturally and economically active (Portes, Guarnizo, & Haller, 2002, pp. 278–98). Transmigrant is a term coined by Schiller et al. (1992) to describe migrants who maintain current and active ties across more than one country—especially beneficial for ethnic entrepreneurs seeking to launch “born global” companies in new economy sectors, for example, in technology, medical innovations, financial sectors, sustainability and smart city technologies. Existing research (Lee & Wong, 2003; Wong, 1997) indicates that transnational ethnic entrepreneurs can be a source of economic growth for host nations. Iyer and Shapiro echo this finding, saying that “the immigrant ethnic entrepreneur emerges as the critical link between small business and globalization and the major force behind an increasing momentum toward a market economy in the developing world” (1999, p. 108).

GLOBALISATION AND ENTREPRENEURSHIP

This chapter seeks to understand what type of local businesses are connecting to the global economy, and similar to the analysis of local elected officials, it looks at the changing behaviours and operating structures that are enabling this new phenomenon. It is important to understand the specific drivers of economic development which play a role in revitalising a local economy by connecting it to a global marketplace. The chapter examines the role of innovation entrepreneurs and in particular global and ethnic entrepreneurs as small and medium business owners (also referred to as SMEs—small and medium enterprises) who build local businesses with global reach that may benefit a local economy. These activities are occurring through their own association with changes in structures and behaviour between the local and global stage. According to Oxford Economics (2013):

SMEs are thinking and acting globally, competing with rivals of all sizes, and investing aggressively in technology to improve operations and make themselves more nimble. This thinking defies some entrenched stereotypes of smaller companies, which often are perceived as local or regional entities that are largely technophobic, and have at best only a supporting role in international trade. (p. 2)

Several of the local elected officials interviewed for this research talked animatedly about establishing physical locations where business start-ups, mainly innovation and technology companies, can foster new economic growth for local areas. A small number of global entrepreneurs were interviewed to gain insight as to the behaviour and business operating structure that facilitates their efforts to connect local businesses to the global marketplace. Specifically this chapter:

1. Looks at global entrepreneurs as local drivers for innovation and economic activity operating at a local and global level intentionally and simultaneously;
2. Seeks to understand the changes in both behaviour and operating structure as a result of globalisation that have enabled some entrepreneurs to build local, yet “born global”, businesses;
3. Examines and compares the differences in behaviour and policies of transformational local elected officials with behaviours and operating structures of local entrepreneurs, both operating globally.

In considering the overarching question of the impact of globalisation at the local level, the research explores local elected officials and global entrepreneurs working together to revitalise a local economy through linking to a broader scope of opportunities on the global level. Therefore, their activities do not occur in a vacuum or in isolation. Officials seek out what resources are available locally or, where necessary, help create resources that they feel may be of value to the global market.

The image of global or ethnic business owners has transformed from early perceptions. Migrants are no longer pigeonholed by the stereotypes of being middlemen, foreign trade suppliers or ethnic niche market and corner stores owners (Simmel, 1908; Sombart, 1914; Waldinger et al., 1990; Weber, 1930). Global entrepreneurs are playing a larger and progressively more important role, not only in the “creative class” (Florida, 2002) of urban economic drivers which includes innovators, information service and technology business owners, but also in servicing the supply chain that supports them. If inclusion of entrepreneurs is part of a local economic development initiative in which they are supported and facilitated to create new ideas, technologies and solutions, they can become part of the “driving force ... as the key factor in our economy and society” (Florida, 2002, p. 4). By understanding the role of global entrepreneurs

and local elected officials, and how behaviours, policies and operating structures support them, we can better understand how these changes come about as a result of globalisation and whether the two are connected.

According to Filion, Ramangalahy, Brenner, and Menzies, “in recent years, both governments and researchers have begun to pay more attention to ethnic entrepreneurship. Several factors, centred on a new awareness and recognition of the social impact of ethnic entrepreneurs and businesses on the economy of host countries, explain this renewed interest” (2004, p. 296). Examples from studies in the USA (Greene & Butler, 1997; Lachman & Brett, 1996) indicate that ethnic entrepreneurs in particular may have a positive impact at the local level because they are able to use their global business relationships to maximise their local business. Studies of the diversity of business owners associated with the establishment of thriving businesses in Silicon Valley in the USA also point towards ethnicity and global diversity as a driver of global small business growth (Engardio & Burrows, 1997; Saxenian, 1999). Nijkamp, Sahin, and Baycan-Levent (2009) state:

In an open and globalized world characterized by an increasing degree of urbanization, modern cities function as a habitat of international migrants whose involvement in the small and medium sized enterprise (SME) sector creates a source of new jobs, business dynamism and innovation. Migrant entrepreneurs form a significant part of the SME sector in our cities and may hence be important vehicles for urban vitality. (p. 1)

In their survey of 2100 SMEs worldwide, Oxford Economics (2013) forecast that, by 2016, four rapidly changing paradigms will occur: firstly, a third of SMEs will generate almost half their revenue from international markets; secondly, that approximately 35% of SMEs are operating in more than six countries; thirdly, that SMEs are transforming their business models to adapt to global competition; and, lastly, that there is a large increase in SME personnel recruitment, coupled with a shortage of skilled workers to fill the roles. The impact of these changes is playing out in local areas around the world as local entrepreneurs seek to rapidly establish and expand businesses with global reach.

Exploring behaviour will provide a lens to explore and assess *why* global entrepreneurs are motivated to create local-to-global businesses, the influence their ethnicity or global fluency plays on their own identity, and the impact of their personal connections with multiple countries.

Furthermore, understanding their operating structure will help to explain *how* entrepreneurs are able to connect their local businesses to a global marketplace, in what way they are leveraging their existing international networks for the benefit of their businesses, and where they feel their market opportunities reside.

The three UK local authorities and the global cities researched further in Chap. 5 (Barking & Dagenham, Hackney and Tower Hamlets), where local leaders are attempting to use local structures and new activities to connect their local economy to a broader global economy, involve local businesses in two ways: by investing in innovative and collaborative business spaces to facilitate new business start-up activity and by enabling the connection of local entrepreneurs with global economic activity the local government is involved in or pursuing. Exploring how local elected officials engage and support entrepreneurship and how local entrepreneurs in turn engage with the local government helps to increase understanding of the growing connection between local and global economies.

The chapter briefly reviews the literature upon which the new research builds. As with the previous chapter, frameworks for both behaviour and structure are considered. In the case of global entrepreneurs, this chapter looks at behaviour as a form of postnationalism (Soysal, 1994) and operating structure as a form of transmigrant theory (Schiller, Basch, & Blanc-Szanton, 1992). The chapter then moves into new research that reveals the motivations and methods of local ethnic entrepreneurs in London Boroughs and other cities who are working at the global level. Lastly, the chapter draws conclusions based on this new research as it relates to understanding the overall question of the impact of globalisation on local government and on elected officials seeking to drive local participation at the global level.

Various terms are used interchangeably in this field, including ethnic or immigrant entrepreneur. Chaganti & Greene (2002) attempt to provide a distinction based not on ethnicity but on the individual's level and type of involvement between their business and their culture. Definitions provided by Aldrich and Waldinger (1990) and McDougall and Oviatt (2000) should be expanded to consider such concepts as those provided by Faist in which "transnational studies perspective should be able to deal with both new social formations *sui generis*, such as transnational social spaces, and how 'old' national, international and local institutions acquire 'new' meanings and functions in the process of cross-border transactions" (2010, p. 1665). This means that today people do not necessarily stay put,

and are much more connected with places they have come from through communication technology and improved travel connections. The way that they keep these connections influences their sense of identity but also provides opportunities to those inclined towards entrepreneurship.

Global ethnic entrepreneurs researched in this project may self-identify with a cultural uniqueness, but it does not necessarily always define their business model that tends to be based on free market demand. For example, early entrepreneurial business models were culturally dependent, as in middleman entrepreneurs, import/export businesses from their native country or service-related businesses providing ethnic products such as food, hair care products, religious objects and other difficult-to-find items in the host country. Immigrant entrepreneurs in the global economy run businesses which maybe producing products that are non-culturally dependent such as technology and finance; however, they may make use of cultural connections as a way of doing business, to support or advance their business in the global economy. In this way ethnicity is more about a way of doing business rather than the product or output of the business.

Suzanne Hall's work on ethnicity and the High Street (2013a, 2013b, 2013c) takes a different view on this phenomenon in finding that small businesses are excellently placed to benefit economically by being embedded in culturally diverse communities and having rich transnational networks to draw on. A high level of ethnic involvement is vital for them in creating personal and community success as a business. For this research, it is important to understand that it is not "ethnicity" that makes these "born-global" businesses succeed or fail, it is whether they have access to cultural capital which is locally valuable and are at the same time situated within global networks to bring goods to market. The ethnic entrepreneurs researched here fall predominantly into the low ethnic involvement category, and particularly those who are seeking to work in new economic areas. They maintain a connection to their culture both natively and transnationally but are not bound to their ethnic group for business success.

EXISTING LITERATURE

Ethnic entrepreneurship is an age-old activity. Over time, the variables and factors of success, as well as influence on local economies, have shifted and developed. In the twentieth and twenty-first centuries, multiple factors have lent to a more complex and sometimes convoluted, albeit necessary, framework of migrant entrepreneurial success.

Early theories identified the “middleman entrepreneur” (Simmel, 1908), as an outsider, “the stranger” bringing goods from a foreign land. This is a similar theme to that of Sombart (1914) and Weber (1930), who, rather than identifying “the stranger”, explore sects which are marginalised in society and choose entrepreneurship.

The interactive model by Aldrich and Waldinger (1990) moves the concept from one simply as a niche market, or middleman, into one dependent on migrant business with success dependent on opportunity structures and group resources.

Kloosterman et al. (1999) have developed a “mixed embeddedness” model which addresses both structure and agency; considering opportunity structures encountered by ethnic entrepreneurs within their community, this model considers the ethnic entrepreneur opportunity structure as one form of embeddedness among others: namely, engagement in the host society and its political structures as a set of informal processes. Volery (2007) takes mixed embeddedness further with an “enhanced interactive model” and discusses changes to historical circumstances in Europe: recent massive migration northward from Southern Europe and North Africa (Gidley & Jayaweera, 2010; Talani, 2005, 2009), economic restructuring (expanded upon by Sassen, 1991, 2000) and an increased opportunity structure in Europe which is becoming more favourable to ethnic entrepreneurs (Masurel & Nijkamp, 2004).

Up to this point, the literature on ethnic entrepreneurship has predominantly focused on the migrants themselves, including motivations, demographics, family and ethnic community support as well as their origin, destination and associated trends (Bonacich, 1973; Light & Bonacich, 1988; Ram & Jones, 1998; Ward & Jenkins, 1984). Further literature also considers external factors such as the characteristics of a given area, the legal framework, and policies and barriers faced by the migrant entrepreneur (Masurel & Nijkamp, 2004; Nijkamp et al., 2009; Oliveira, 2007, 2010; Volery, 2007).

Oliveira (2007) constructs a “Heuristic Model on Immigrants’ Entrepreneurial Strategy” which provides a comprehensive picture of the variables included in all the previously reviewed models. “The model follows other attempts to show that there are no random factors in immigrant entrepreneurship and aims to reflect the resourceful dealings that immigrants establish within the context of their personal resources, social networks and structural opportunities, with the aim of defining entrepreneurial tactics” (p. 134).

Through all the variations of models and theories, Aldrich and Waldinger's (1990) original simple insight holds true: they state, "ethnic groups adapt to the resources made available by their environments, which vary substantially across societies and over time" (p. 131).

The work in this book seeks to not criticise the existing theories but to evolve and build on the theories whilst expanding the work to consider a dyadic model of both new behaviour and business operating structures for global entrepreneurs.

Postnational Migrant Participation

In addressing behaviour, this research uses Soysal's (1994) work on migrant polity participation, coined "postnational migrants", which adds a further dimension to the existing theoretical frameworks. Soysal proposes that "a new and more universal concept of citizenship has unfolded in the post-war era, one whose organizing principles are based on universal personhood rather than national belonging" (p. 1). Migrants are granted rights in host polities through their residency as well as through either their active participation or that of their representatives. They are governed by a host polity's social and civil frameworks; they are granted basic access to benefits (e.g., NHS care); they may have social and political representations and some families participate in work, education and other community-based offerings and initiatives. Soysal's research reveals the "decreasing importance of formal citizenship status in determining the rights and privileges of migrants in host polities. Formal citizenship is not a prerequisite for granting individuals many rights and duties with respect to the national polity and the state" (1994, p. 132). While Soysal's sample group of "guest workers" certainly reveals changes across a broad spectrum of issues for migrant workers and trends in labour, there are also several reflections from her work that can equally be applied to the ethnic entrepreneur. Migrants who are guest-workers or non-naturalised immigrants have an impact on the host polity mainly through secondary vehicles—meaning they need a second or third party to represent them to access many rights. Although migrants influence the polity through their existence and social needs, and through advocacy groups and various representatives, they may still be indirect participants in the power structure of local authorities and policy-making. The subgroup of the postnational participants as ethnic entrepreneur, some of whom may be citizens (a legal status of nationality) or second- and third-generation residents (a legal

status of “right to live”), has infiltrated the host polity to the level of direct participation and wielders of economic power. In essence, this means there are different types of citizens and they have different access to rights and opportunities—some more than others. Citizenship is in this way a type of boundary defining the (excluded) status of people of migrant background from people who are not by virtue of having less rights (McMahon, 2015). The research here considers the economic power wielded by global entrepreneurs and their activities to move the spectrum more towards universal personhood and further from nation-state citizenship.

Transnationalism Theory and the Framework for Transmigrants

In assessing changes to operational structures as they relate to global entrepreneurs, this work uses Schiller et al. (1992) seminal theory of a new framework to understand migration theory born from the expanding tentacles of globalisation. Using the theory of transnationalism, migration is understood through multi-national economic, social, cultural, political, network and familial ties existing in more than one nation-state simultaneously (Schiller et al., 1992, p. ix). Here, the theory is adapted for global entrepreneurship.

Schiller et al. define transnationalism as a process in which transmigrants are functional participants who maintain active relations and networks in more than one country; those countries may include their current host country, country of residence, native country, or another country (1992). The “transmigrant” theory for understanding migration is based on six premises (1992, p. 5):

1. Bounded social science concepts of nationality and ethnicity limit researchers’ perspective in studying migrant trends
2. Transmigrant theory is linked to and is a result of global capitalism
3. Transmigrant theory is grounded in the daily life of migrants
4. Identity is re-defined by transmigrants and their networks
5. Transmigrants lead a fluid life which means nationalism, race and ethnicity must be re-worked to understand culture, class and society
6. Transmigrants adapt to the influence of hegemonic nations and globalisation

Schiller et al. (1992) discuss the variations of migrants versus transmigrants. Namely, most migrants eventually assimilate into their host country

and, after three generations, the native language is usually lost and connections to their native country are minimal. Conversely, transmigrants tend to maintain their native language, speaking both their native and host country language fluently. As a result of maintaining multiple national or cultural ties, transmigrants tend to acculturate to a new society rather than completely assimilate. Transmigrant entrepreneurs develop networks for building global businesses. “Indeed one could conclude that globalization requires transnationalism, which it also promotes. International trade requires international traders, and international traders are transmigrants” (Dana, 2007, p. 7).

Portes (2003) provides clarity to the theory and framework with a series of conclusions which he suggests have reached a consensus in the academic literature. First, transnationalism is not altogether new but rather a new perspective with which to view the changing state of migration. Second, it is a bottom-up activity along with other grassroot movements engaged in global activities. Further, transmigrants are a subset of immigrants defined through transnationalism, and not all immigrants are transnational even in an age of globalisation of communications and travel. Transnationalism varies among immigrant ethnicities and motivations or migration, meaning each migrant or wave of migration must be understood as a set of its individual conditions. Last, and most importantly relating to the work here, the economic impact of transmigrants may be significant for their host and native country. This new research has taken this last concept a step further to understand the economic impact transmigrant ethnic entrepreneurs have on local revitalisation in the host countries.

Transnational entrepreneurs are transmigrants engaged in self-employment businesses that operate within two or more nations in which the transmigrant is culturally and economically active (Portes et al., 2002, pp. 278–98). Wong (1997), Lee and Wong (2003) and Wong and Ng (1998) develop knowledge of transnational entrepreneurs through studies of Chinese immigrants in Canada who have migrated under the “entrepreneur” or “investor” visa categories, determining that transmigrants can be a source of economic growth for host nations and “nation-states whose interests are to link capital accumulation with their immigration policies, will continue to facilitate this movement” (Wong, 1997, p. 348). This sentiment is echoed by Iyer and Shapiro who state that “the immigrant ethnic entrepreneur emerges as the critical link between small business and globalization and the major force behind an increasing momentum toward a market economy in the developing world” (1999, p. 108).

The transmigrant framework is important for this new research in that it can help frame global ethnic entrepreneurs as part of broader changes occurring through globalisation. Just as the second generation is likely to emulate parents who were entrepreneurs, being from a transmigrant family may also facilitate a sense of empowerment for ethnic entrepreneurs to “go global”. In this instance, whether the ethnic entrepreneur is a first- or second-generation entrepreneur, being from a transmigrant family can also influence the motivation of the global ethnic entrepreneur.

This new research builds on and is different from the previous work: firstly, in that there is little research in this area and, secondly, in that it studies the characteristics and personal motivations of transmigrant entrepreneurs together with their sense of empowerment to take their businesses global. It considers, both qualitatively and ethnographically, whether being a transmigrant increases the likelihood not only of being an entrepreneur but also of being a global entrepreneur, and whether their businesses play a role in local economic activity.

NEW RESEARCH

In looking at the impact of globalisation at the local level and the changes in behaviour of local elected officials, the question arises as to the participation of transmigrant entrepreneurs, who have set up global companies, and their contribution to local economic growth. This work addresses three key areas of new research including the construct of a dyadic lens from existing models, similar to the framework used in the previous chapter to examine local elected officials, by outlining activities of agency through postnationalism, followed by operating structure through transmigration and then, finally, making a comparison of behaviours and perceptions of ethnic entrepreneurs and local elected officials.

In-person interviews were conducted with global entrepreneurs, from three London’s inner boroughs: Hackney, Westminster and Tower Hamlets. Global entrepreneurship was also examined in several global cities, for example, Pune, India, to see if the phenomenon is potentially being replicated elsewhere. As part of the broader research project and interviews, these entrepreneurs enhance the interviews of the local councillors by showing how a form of economic growth may occur. The interviews were selected to be informative and representative (not definitive) of a wider group of ethnic entrepreneurs specifically building companies that are in new economic areas engaging in a global market. The interviews

provide insight into how the relationship between a local entrepreneur and the global economy may manifest and why. The entrepreneurs who were interviewed were a mix of first- and second-generation businessmen involved in new economic sector start-ups including, technology, finance, medicine and fashion. The participants' ethnicity included Asian, Indian, Spanish, African and mixed backgrounds.

The existing frameworks described above provide a lens with which to view the phenomenon examined here, specifically in the dyadic combination of behaviour and structure. Soysal's postnational migrant theory provides us with a lens to view the changing behaviour and its impact on the local polity where ethnic entrepreneurs have not only become polity participants but, in some instances, are viewed as directly wielding economic power that can contribute to local revitalisation. Second, the **structure** of transmigration, as a set of global processes enabling business growth through networks, leads many ethnic entrepreneurs to intuitively build global businesses from the start. These transmigrant entrepreneurs have a global viewpoint, global contacts and an interest in participating in the global market as well as global civic life.

Postnationalism and Behaviour

Firstly, the agency implications of postnational entrepreneurs as it relates to their motivation and identity are examined. The concept of postnational participation in the host polity provides the perspective through which to analyse current activity and motivations associated with ethnic entrepreneurs participating in global business activities at the local level.

Using this lens, three key themes emerge over the course of the interviews:

1. The participants describe that their desire to be an entrepreneur is linked to a disposition to "create";
2. First-generation immigrants connect strongly to their ethnicity as a primary part of their entrepreneurship, whereas the second (and later) generations see their ethnic identity as secondary to being an entrepreneur;
3. They express a strong desire to participate civically and to have a local and social impact with their global businesses.

The Disposition to Create

The desire to build something from scratch, to create something of your own making from what resources you possess or are able to gather is a challenging and potentially rewarding endeavour for a businessperson and may involve a high level of personal risk. The financial reward alone is generally not enough to drive participation and is usually accompanied by individual personal reward and an intense disposition to create something of one's own making.

One entrepreneur interviewed for this research (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, personal communication, 2014) in the financial-technology industry said his motivation was to “create something; not solely make money. To make something out of nothing is an expression of creativity in the same way as an artist creates a painting from a blank canvas. In corporate jobs you cannot always be creative. It is about personal growth.” Additionally, he connected the instinct to create with the ambitiousness of being transmigrant. “Immigrants take themselves out of a comfort zone and go somewhere else. So by the virtue of this they are ambitious. Non-ambitious people generally won't be migrants” (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, personal communication, 2014).

Delaney (2004), in writing on what she sees as an opportune moment for business women to break into a global marketplace, outlines several critical characteristics that will enable the activity. Her preconditions are readily transferable to entrepreneurs also seeking the global marketplace; for example, “A global entrepreneur must be comfortable with change” (p. 62). Most immigrant families, even second and third generations, are quite familiar with change as they settle, assimilate or acculturate in a new country. “A global entrepreneur must be adaptable, take risks and innovate” (p. 63). Much of the baseline immigrant entrepreneur literature (Borjas, 1986; Clark & Drinkwater, 2000; Short & Kogut, 2012) demonstrates that immigrant entrepreneurs choose self-employment, business ownership and niche markets as a tactics for employment. “A global entrepreneur should have travelled to at least one foreign country and stayed for several weeks with a native family and desire to return” (Delaney, 2004, p. 66). By definition, immigrant families have travelled internationally and may possess a high level of cross-cultural adaptability skills—meaning an understanding or how to live and interact in not

only two different geographic places but between two or more cultures. Immigrants often reside at and navigate between the intersecting borders of different groups of people with varying national, ethnic and cultural backgrounds and habits, providing some with an opportunity to develop those skills (McMahon, 2015).

Farfetch.com is a fashion-technology start-up founded by CEO Jose Neves, a Portuguese native, born and raised, who now divides his time between London as his home base whilst constantly travelling the globe to build a larger fashion network for his company. The company “is a global community of over 300 visionary fashion boutiques offering an inspirational shopping experience to fashion-forward consumers ... located everywhere from Paris, New York and Milan to Bucharest, Riyadh and Seattle, but united in one e-commerce website” (Farfetch.com, 2015).

J. Neves (Neves Interview. Conducted by Amy Hochadel, personal communication, 2014) opens the phone interview with an animated conversation of his youth in Portugal and a broad network of friends who subsequently also left the country but with whom he maintains contact and now uses to help build his company in various global cities. Neves stated that he had two main motivations for being an entrepreneur: firstly, from a very young age he wanted “to create things, and build stuff” and, secondly, he likes to connect with people from all over the world. He has a strong propensity to innovate and take risks. He is constantly travelling to connect personally with various small fashion designers around the world with whom he can partner in his business venture, thereby displaying a high level of cross-cultural adaptability skills leading to the international success of his business. Reflective of the findings by Oxford Economics (2013), he is constantly adapting and changing his business model to meet global market demands in a fast paced international business environment.

The ethnic entrepreneurs who were interviewed had all established multiple companies over their professional history and each one was able to detail what their next venture would entail. Each new venture was a global business that was based in new economic sectors. Stephen Bediako, CEO and founder of The Social Innovation Partnership, is the son of a Ghanaian father who built his own import/export company in Ghana and then subsequently moved his family to London. Bediako has built a global evidence and evaluation business in the four years since founding the organisation. As a young black man in London, Bediako’s background as a second-generation immigrant, and having

an immigrant global entrepreneur as a father, may have influenced and enabled him to break a potentially detrimental cycle of young black men in urban society.

Whilst this initial venture is still in its formative years, Bediako is already setting up “sister” companies in evidence and evaluation digital platforms as well as offshoots pursuing global corporate partnerships with entities such as Google, Jaguar and Experian. Bediako specifically positions new ventures as partnerships with the corporations rather than establishing consultant or subcontractor roles. The distinction between partnership and subcontractor in this context may be more conceptual rather than a legal arrangement but reflects Bediako’s thinking that his company adds value through being situated alongside global companies rather than below (S. Bediako, Bediako Interview. Conducted by Amy Hochadel, personal communication, 2015).

All the global ventures under consideration by the interviewees are businesses that connect global communities to local people and local markets. In each one there exists an element of personal interaction and communication that is valued more than a digital interaction. For example, Neves not only wants to create a global network of boutique fashion designers and a portal for them to interact with within a broader global marketplace, he also wants to bring that portal right back down to the local level and to interact with local markets. Instead of online purchasing from fashion designers located around the world, he connects those designers and retailers with each other so that they all can receive and deliver goods and services from each other: this means the end-buyer still walks into a store on their high street, if they choose, to try on, purchase or pick up their purchase from a supplier in a different country on a global network. The uniqueness to Neves’s model is that rather than fashion designers and boutique owners around the world competing against each other for online business in which they attempt to “win” business and the right to ship their product to a customer, they instead create an interdependent model in which they band together, via farfetch.com, to facilitate and enable each other’s business as well as allowing their physical locations to be used by customers purchasing a product from another farfetch.com fashion boutique.

This desire to operate on a more global rather than local or national level was also expressed by the financial-technology entrepreneur interviewed (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, personal communication, 2014), whose next venture seeks to improve

the way money is transferred between transmigrant families using a new mobile technology he has developed. As in the examples already given, this makes the global financial markets extremely relevant and tangible to local communities and people—as the movement of money internationally has an immediate local effect on the families it aids as well as an impact on global financial markets.

Neves indicates that his instinct to create entrepreneurial global companies also includes a problem-solving capacity of making the global more local rather than making the local more global. He talks about his view of the early days of globalisation in the 1990s when there was a fear that globalisation would lend to mass anonymity and loss of personal interactions. People marched in the streets to protest mega-corporations that were poised to monopolise global markets and individual freedoms. However, Neves talks about what he sees as an unexpected outcome for him as a local and global entrepreneur where globalisation has actually led to more personal and local connections among people, especially local business people all across the globe, and has thus facilitated innovative new uses of internet technology and personal global connections, as the type embodied in farfetch.com. As a result, these local-global entrepreneurs are collectively fulfilling their desire to create, while grounding it in a desire for a vibrant local economy and community. This type of activity can also be viewed through Cerny's (2010) theory of transnational neopluralism in which the barriers to global participation are more easily overcome in an age of technology and high-speed transportation. The ethnic entrepreneurs in this research expressed an almost nonchalant attitude towards national boundaries as they seek to create a more locally connected global marketplace.

Ethnic Global Entrepreneurs and Identity

There are distinct differences between first- and second-generation ethnic entrepreneurs in relationship to their self-identity as an entrepreneur (Masurel & Nijkamp, 2004; Rusinovic, 2006; Sharma, 2013). This new research is focused more on the identity of entrepreneurs who are first- or second-generation immigrant rather than relating to the profession of their parents. The issue is twofold. Firstly, how does the entrepreneur identify him or herself in terms of their ethnic plus business identity and, secondly, what is their connection to their ethnic community, both at home and abroad?

While representatives interviewed of both generations satisfy the criteria for transmigrant, the first-generation entrepreneurs interviewed all proudly describe themselves as ethnic entrepreneurs, both in conversation and print. For example, the financial-technology entrepreneur promotes himself as an Indian entrepreneur in his industry, garnering awards for his work and recognition from other ethnic leaders.

Concomitantly, when Rajeeb Dey, founder of Enternships and a second-generation immigrant whose parents came to the UK from Kolkata, reflects on the ethnic aspect of entrepreneurship, he comments, “I don’t think about it much. It’s not something I am proactively involved with in any way. The Asian business press has picked up on what we are doing and TiE [The Indus Entrepreneurs]. But I feel more connected to other start-ups and the tech community” (R. Dey, Dey Interview. Conducted by Amy Hochadel, personal communication, 2013). On the Enternships website, a significant number of young, global entrepreneur awards are prominently displayed but Mr. Dey’s ethnicity is not referred to on the website in any capacity or in the contributions from other ethnic organisations or leaders. Mr. Dey does not mean this to be a negation of his ethnicity, nor to imply that he is in any way not proud of his Indian heritage—it is more a reflection of his belief that he feels he is foremost a young global entrepreneur and leader and second an Indian entrepreneur. Mr. Dey’s comments raise an area worthy of consideration which is the extent to which the entrepreneurs are successful because they are in a global city and participating in a community of other start-ups as opposed to or in addition to how much their background as ethnic entrepreneurs are lending to their success and adding value to the local economy. The interviews here present an indication of cross-over between the two and encourage further study in which the two distinctions can be drawn out.

The initial interviews indicate that younger entrepreneurs in their 30s have more of a “citizen of the world” identity rather than a narrowly defined primary ethnic identity. “For many younger entrepreneurs, however, the business-support needs deriving from ethnicity may be increasingly difficult to distinguish from the needs of entrepreneurship in general” (Barrett, Jones, & McEvoy, 2003, p. 121). This is especially true of entrepreneurs who are working in new economic areas and outside of the previous narrow ethnic niche markets. Soysal’s concept of postnationalism is expanded on and can aptly be applied here in that second generation immigrants participate both economically and socially in their host polity, native polity and in new geographic areas now accessible through access to global cities.

As young entrepreneurs become more fully entrenched in the knowledge-based economy, they may no longer want, or feel the need, to identify themselves through ethnicity but rather through other commonalities of businesses sector or education level. Dana, Korot, and Tovstiga (2003) reinforce this notion:

In today's world, the traditional factors of production have given way to knowledge as the driving force behind wealth creation. There is a new transnational elite, based on knowledge. We recall that the royal family of Elizabethan England had more in common with that of Spain than with English-speaking serfs. Along the same lines, we note that the MBA graduate in Spain shares more with the MBA graduate in England than with the sheep farmer in the Pyrenees. (Dana, 2000, cited in Dana et al., 2003, p. 183)

Barrett et al. (2003), reflecting on the research findings of Jones, McEvoy, and Barrett (1992), take the research further in explaining that for ethnic entrepreneurs, “breakout is seen principally as a matter of market reorientation on two dimensions: first a shift away from co-ethnic customer dependence into mainstream markets, and secondly a move from localized to spatially unbounded markets” (p. 115). Similarly, Dyer and Ross (2007) present evidence for this shift: having surveyed 140 ethnic business owners in Montreal and Toronto, they found that of the respondents, only 30% belonged to any form of ethnic business association. However, 51% indicated that they did belong to general professional business associations.

There may be two possible conclusions from this data when considered alongside the interviews conducted herein. Firstly, there is a distinct difference between the identities of first- versus second-generation ethnic entrepreneurs which was evident in the interviews. However, a second possibility that would require tracking over a longer period of time is that as globalisation and freedom of movement increases, more ethnic entrepreneurs—regardless of generational status—may begin to see themselves from the transmigrant, “citizen, or businessman, of the world” perspective. This line of reasoning is expanded on further in the section below on structure and transmigration.

Civic Participation

As postnationalism relates to migrant participation in the host polity and the rights it bestows, it provides a useful and interesting lens through

which to view an additional phenomenon of ethnicity, including ethnic entrepreneurship. The theme of civic participation frequently arose in the interviews conducted for this research with both first- and second-generation ethnic entrepreneurs. Everyone interviewed was running for-profit companies and no interviews were conducted with heads of charities or not-for-profit organisations. However, every interviewee indicated a strong desire to participate in civic society and community-building initiatives through their businesses, indicating a correlation to Soysal's post-national theory. This initial finding indicates that those entrepreneurs building global companies and participating in transnational and trans-migrant business networks are also embedded in and working for the improvement of their local context.

A majority of the interviewees indicated an interest in electoral politics, although they were unsure whether they would stand for an elected official position. Their interest resided more in participating in the political process in order to influence policy areas of importance to them. Two interviewees expressed a direct interest in participating in party politics. However, more frequently, the interest lay in civic participation that was not directly linked to direct political involvement. Several of the ethnic entrepreneurs referred to their companies as social enterprises, reflecting that a portion of their revenue, generally between 10% and 30%, was earmarked for reinvestment into their local community. Those who did not describe themselves as leaders of a social enterprise still indicated a desire for their company to have social impact of some kind. All the participants sit on boards for local charities or businesses, are involved in youth initiatives, mentor other entrepreneurs, sponsor local sports teams or participate in charitable events. However, only first-generation ethnic entrepreneurs indicated that they directed funds to charitable organisations in their home countries.

For example, first generation British-Pakistani entrepreneur Shahid Azeem, based in Surrey, currently owns a local football club, an IT company and a telecom company which has established offices in six countries. He is involved in government policy, higher education and religious initiatives across the UK and has been named one of the UK's most influential Muslims. In addition, he is an active philanthropist in both the UK and Pakistan, including contributing to the Surrey Law Centre, Sporting Equals, the British Pakistan Foundation, the Mosaic youth charity and local Rotary Club. Mr. Azeem credits his philanthropic and entrepreneurial drive to his Pakistani grandfather and immigrant roots (Duffell, 2014).

TRANSMIGRATION AND OPERATIONAL STRUCTURE

Transmigration and the proliferation of more affordable international transportation and communication channels help to position ethnic entrepreneurship more firmly as global entrepreneurship within the structure of transnational neopluralism (Cerny, 2010). With multiple points of access to the global market and cross-cultural adaptability skills and networks, global entrepreneurs are in a unique position to leverage global businesses for local economic benefit in their host polities. Research has collected evidence that begins to point in the direction of ethnic entrepreneurs as economic drivers for local vitality (Ram & Jones, 1998) but has yet to analyse the operational structures and interactions or to define the outcomes on local economies placed within a broader political structure. Nijkamp et al. (2009) have undertaken research that provides stronger evidence, but approach the topic from the ethnic entrepreneur's perspective of being proactive in new economic sectors rather than the global economy and transmigration facilitating global-local ethnic entrepreneurs. Deregulation and a decline in manufacturing in the UK have led to an exponential increase in ethnic entrepreneurship by people facing tougher barriers to employment. It is now these same entrepreneurs, or their children, who are creating small global businesses leading to a revitalisation in some of those very same declining areas.

The intersection on the global level through transnational neopluralism has been enabled at the state level by the shift from the welfare state to the competition state, thereby also physically shifting the focal point from which economic development is derived. "As nodes of accumulation, global cities are sites of post-Fordist forms of global industrialization; as coordinates of state territorial power, global cities are local-regional levels within a larger, reterritorialized matrix of increasingly 'glocalized' state institutions" (Brenner, 1998, p. 1). It is this transition that is offering an opening to entrepreneurs who can take advantage of global cities to create "born global" organisations operating from their first day at the local and global level. Ethnic entrepreneurs, as those who self-identify to a migrant group through a common background or cultural experience and, as a business owner, leverage that background and experience to take risks, work internationally and seek a value-added perspective, are in a unique position to leverage their transmigrant networks to influence local economic development.

Through the interviews with ethnic entrepreneurs, the themes of local economic revitalisation frequently emerge. When asked to discuss their local businesses and global operational structures, three key points were revealed:

1. The entrepreneurs in the new knowledge economy sector set up their companies as global from day one;
2. They seek to align themselves or form partnerships with other businesses or global entities;
3. They see global cities, not countries, as their best opportunities for business growth.

How global entrepreneurs operationally structure their organisations provides insight into their potential reach from the local market to the global market and any resulting local economic impact.

BORN GLOBAL: PARTNERSHIPS AND ACCESS

The ethnic entrepreneurs interviewed for this research have set up local companies targeting the global marketplace. These companies were not started locally and then grown to expand into the global market; they were “born global” with an intent to operate at the global level from day one. The companies span the spectrum of finance, IT, fashion, employment and graphic design.

In the current climate of increasing globalization of economic activity, it can be very difficult for small firms to survive against the forces of global competition unless they are prepared to internationalize, to do so relatively quickly and at early stages in their development. The most successful firms are likely to be those that are prepared for action, are able to recognize potential opportunities and are able to respond quickly. (Jones & Dimitratos, 2004, p. 4)

Part of the reason that local businesses are able to immediately plug into the global marketplace is that they seek out partnerships or informally attach themselves to existing global corporations (Dunning, 1995; Fujita & Hill, 1998). Inversely, larger companies are seeking out smaller innovation companies that are agile, flexible and easy to redirect in a rapidly changing marketplace, and smaller firms are able to play this role more

easily (OECD, 1997). Small firms can also be more than basic subcontractors and delivery agents; they can be the innovation arms of large corporations.

Medopad is a small electronic health care information integration and accessibility business run by Dr. Richard Khatib and based in a collaborative start-up workspace in Westminster. Although not formally affiliated with Apple, IBM or Google, they have been provided inexpensive or free access to these companies' hardware to pursue medical-technology solutions. Dr. Khatib and his team proactively pursue relationships and access to large corporate companies, rather than waiting for these companies to pursue them. They market themselves as a low-risk, value-added option with which corporate companies can safely engage. The impact of this arrangement on Medopad may take one of two paths: they may be provided high-value access to needed technology which can catapult their business into the global marketplace, or they may be exploited by a large global corporate which can invest little in innovation and reap a lot in the resulting products developed by Medopad. For Khatib and his team, there is no other choice than to take the risk and hope their hard work pays off. Mazzucato discusses the corporate exploitation conundrum:

The critical point is the relation between those who bear risk in contributing their labour and capital to the innovation process and those who appropriate rewards from the innovation process. As a general set of propositions on the risk–reward nexus, when the appropriation of rewards outstrips the bearing of risk in the innovation process, the result is inequity; when the extent of inequity disrupts investment in the innovation process, the result is instability; and when the extent of instability increases the uncertainty of the innovation process, the result is a slowdown or even decline in economic growth. A major challenge for the UK and for Europe 2020 is to put in place institutions to regulate the risk–reward nexus so that it supports equitable and stable economic growth. (2011, p. 112)

Dr. Khatib's team has created a secure app for patient health records on mobile devices which can integrate records, in real time, from multiple sources, including the general practice surgery, radiology unit, blood laboratory, nutritionist and others. The integration of these sources into one mobile device provides the most comprehensive and up-to-date information available to health-care professionals about the patients they are treating. In addition, Medopad has created an interface where these patient

records can be sent directly to Google Glass worn by physicians, therefore notifying them of changes in a patient's status, available test results or upcoming appointments. By attaching themselves through informal agreements such as "Project Proposals" or "Memorandums of Understanding", to corporate companies, Medopad believes it can better place itself in the global marketplace with a recognisable corporate partner, albeit at their own great risk. In Dr. Khatib's opinion, there is no other option for him; "The problem I have described [medical records] is universal in all hospitals in the world so, if we have the solution, why not try to solve this problem of all hospitals around the world as soon as possible? You will impact people's lives, save people's lives, you have a positive social impact. It would be irresponsible to not to do it" (Khatib Interview. Conducted by Amy Hochadel, personal communication, 2014).

However, global companies at the local level do not have to attach themselves to corporate companies to enter the global marketplace: the global economy is already interconnected to allow the flow of business across borders or even above borders as a result of the seemingly universal shift to a competition market.

Traditionally, competition in international markets has been the realm of large companies, while smaller businesses remained local or regional in scope. However, the removal of government-imposed barriers that segregated and protected domestic markets and recent technological advances in manufacturing, transportation and telecommunications allows even the smallest firms access to customers, suppliers, and collaborators around the world. Economic growth and innovation, both domestically and internationally, are fuelled increasingly by small companies and/or entrepreneurial enterprises. (Etemad & Wright, 2003, p. 3)

As global markets become increasingly intertwined, they become more porous and enable multiple competitors to exploit previously protected incumbent opportunities. This means that the long-time subcontractor of a global company is potentially more susceptible to losing their contract from competition by smaller, flexible and innovative entrepreneurs from anywhere on the globe (Douhan, Norback, & Persson, 2010, p. 34). Reinforcing the theory of transnational neopluralism, ethnic entrepreneurs in new economic sectors with built-in global networks and cross-cultural adaptability skills are empowered by greater access to the marketplace to be more aggressive, pursue broader opportunities and compete against larger firms.

City Hubs for Global Businesses

Dana, Etemad, and Wright (2004) describe the new networked economy as a modern form of the historic bazaar where interdependence can yield more value and a greater competitive advantage than independent head-to-head competition of larger firms. Smaller firms can build on and complement each other's businesses, attract a broader base of clients and institute flexibility, for example, leveraging personal relationships for adaptable pricing options. Mr. Neves of farfetch.com is consciously attempting to create a local bazaar between small fashion designers and boutiques in the virtual global space at the same time as on the local high street. For Neves and others, the international bazaar links up markets across cities rather than across countries. By focusing on cities, smaller firms can go straight to where their business will have the most impact. The market for Neves is not the UK or other countries: it is London, Barcelona, Paris and Milan (J. Neves, Neves Interview. Conducted by Amy Hochadel, personal communication, 2014). These cities then become the physical manifestation of the global virtual bazaar, meaning the bazaar economy and actual stock is coordinated in a virtual space and then the physical product from the bazaar is delivered on the city high street.

[Farfetch.com](http://farfetch.com)'s activities align and reinforce the argument for structure made in this research and in Sassen's theory on global cities in two ways. Firstly, whilst technology means global companies can operate remotely and digitally, ethnic entrepreneurs like Mr. Neves with global businesses can choose to make personal and in-person contact with their customers rather than an impersonal online experience, even though the transaction itself remains online. In fact, farfetch.com is a unique global fashion online ordering business precisely because it digitally connects global fashion designers around the world to customers in person, directly in the shop on the high street. By creating a virtual bazaar of connected fashion boutiques, the businesses can serve their own customers in store or they can ship their product to another of the networked boutiques and the customer will then go to that store in person where they can try on and buy the product that was sent around the world. The boutiques within farfetch.com provide a reciprocal service to each other by operating both locally and globally, both online and in person. Secondly, a global online entity like farfetch.com could locate its headquarters anywhere in the world or simply operate online: however, Mr. Neves chooses to maintain a direct terrestrial connection both to his home country and city in Porto,

Portugal, and his host city in London. He is active both on a business front and civically in both locations. Global cities therefore act as a hub for ethnic entrepreneurs as well as providing an opportunity to physically bring together a global community.

Entrepreneurship literature also points to the “demise of the nation-state as the primary macroeconomic player” (Dana et al., 2004, p. 3) around which all business, both domestic and international, was originally organised. Global companies now choose multiple locations for design, assembly and distribution. Ergo, “smaller firms now have access to worldwide markets, which most could only have dreamed of a decade ago, as long as they can gain access to the requisite resources” (Dana et al., 2004, p. 4). In addition, Dana points to the “demise of the firm as the primary micro-economic player” where “increasingly, we see firms forming collaborative alliances with other firms, event with potential or actual competitors in the same industry” (2007, p. 6). Activities like this not only facilitate an opening for the small-scale international entrepreneur but also create the global bazaar of international entrepreneurs who, by their own participation, are creating a system rich in opportunities for each other. According to Neves, connecting with other global small businesses is important because “they buy with their hearts, you can create a personal connection” and in doing so add value to each other’s business (J. Neves, Neves Interview. Conducted by Amy Hochadel, personal communication, 2014).

In the financial-technology industry, one entrepreneur (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, 2014) admits that globalisation impacts on his business whether he likes it or not. He says that global and ethnic entrepreneurs have no choice but to keep abreast of new technology and be commercially in line with it, and that companies that fail to do this will simply collapse. He indicates that part of the challenge is to keep an open mind and be willing to accept and do work with different people, from different cultures, and in different parts of the world. But the connection with these other people is through cities rather than the broader country or through central government. He feels that, in some cases, cities have become more important than their host countries because they are more in tune with the world. As an entrepreneur, he chooses to do business in and with other cities because he feels they are free from the bureaucracy of central government. “The sense of belonging is stronger with cities than countries. You feel like you can actually do something that you can’t accomplish in central government because it is too large. Things are more tangible at the city level and turn around is

quicker” (Interviewee 001, Anonymous Interview. Conducted by Amy Hochadel, personal communication, 2014).

Neves echoes this sentiment and draws a direct line back to the idea of a modern bazaar. “For the fashion industry, it’s cities that are important, not countries. It’s like a return to Greek times. Cities are much more relevant when thinking about people and a marketplace in a global context” (J. Neves, Neves Interview. Conducted by Amy Hochadel, personal communication, 2014).

Whilst Neves is using this argument in favour of a network of global cities, it has also been used as an argument against the “world city” theory. Smith claims that the world city theory of Friedmann and Sassen misses a critical point when, at the local level, “for better or worse, cities have different histories, cultural mixes, national experiences, and modes of political regulation of the localisation of urban space. These must be taken into account in any nuanced analysis of the localisation of processes. Their absence weakens the usefulness of the global cities thesis” (Smith, 2001, p. 51). And yet, this is exactly why Neves says that world cities are important to him. It is the unique aspect and component of each city, its people and culture that allow him to create a virtual global bazaar with local links and to market a product that currently does not exist.

HAVE WE MET? LOCAL ELECTED OFFICIALS AND GLOBAL ENTREPRENEURS

In some areas, local elected officials are taking to the global stage to seek solutions to local economic issues. Concomitantly, and as explored here, local entrepreneurs are also creating local businesses with global reach. Research previously reviewed here has shown that a healthy SME community can contribute to local economic regeneration. In assessing the behaviour and policy structures of local elected officials, this section will compare and contrast these activities with the behaviour and operating structures of local, global entrepreneurs.

For the last 30 years, local municipalities have sought to address the void left by the shift from a welfare to a competition state by testing various models for local economic development, going through their own transformations and experiments. Due to the loss of government funding, areas with transformational leadership and legislative-activist structure have tested programmes and funding models that are based on unique

partnerships, contracting out-of-city services, spin-off for profit services, corporate investments, EU grant funding, international business arrangements, or other innovative funding mechanisms. When looking at large-scale or long-term economic development plans in a local area, these initiatives and funding models seek to align with the structure of the modern economy, for example, light manufacturing, new energy innovations, IT, medical-technology solutions, and various knowledge industries. Many of these types of innovations and technologies are finding a strong foothold in the global market for cities seeking to become technologically smarter, more efficient and more resilient in both a global economy and the era of security and climate challenges.

By seeking out creative partnerships to support local economies and by focusing on new economic sectors, the nation-state no longer acts as the “first stop” for local officials to advocate their areas on these issues. For example, if a local area decides it wants to build up and invest in their infrastructure as it relates to the area of innovative alternative energy manufacturing, it no longer goes solely to the nation-state to seek federal assistance, funding and planning. More frequently, local representatives now partner with local private funders, corporate partners or collaborative business structures and then seek the global marketplace to brand, market and recruit the necessary industries, entrepreneurial businesses, smart technology and skilled labour.

Some areas set up these economic development innovations as “clusters” around specific industries and resource bases to support and participate in global cities. “Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g., universities, standards agencies, trade associations) in a particular field that compete but also cooperate” (Porter, 2000, p. 15).

Sheffield and Leeds are leveraging their universities and hospitals as well as the NHS northern headquarters to create a medical technology and research cluster. In London, the growth of “Tech Alley” has not only been built on the back of a global city and IT economy but is also physically positioned to align with investment from London 2012 Olympic development and legacy:

Nestled within the East London blocks adjacent to the new 2012 Olympic stadium, companies like Tweetdeck, the highly-popular social media browser, and Songkick, the largest global database of concerts in the

world, call Tech City home. And with active support from major global technology companies like Cisco, Intel and Google, East London has cemented its reputation as a globally-renowned technology hub. London's Tech City has opportunities for companies of every shape and size, from budding entrepreneurs in technology incubators around the East End areas of Old Street and Shoreditch to major facilities in the Olympics Park available post-2012. For start-ups, Tech City offers access to the largest venture capital scene in Europe and the presence of like-minded innovators. (Lopez, 2012)

However, making programmes and opportunities available and really understanding the needs of entrepreneurs, including ethnic and global entrepreneurs, are two different things. As often found in the political realm, when not handled tactfully, even the best intentions can breed distrust among those it is meant to support, especially when the entity in question is central government. Tech City UK is funded to foster, grow and help fund the digital business foundation in London. However, many of the entrepreneurs themselves feel they are not clear who is running the initiative and what their motivations are. Alex Wood, editor of Tech City News, reported that “**Tech City UK remains one of the most secretive public organisations in Britain**” (2013) when they failed to disclose their financial records and plans.

Enternships, founded and run by Rajeeb Dey, is one of the Tech City start-ups. Mr. Dey feels there is no real, tangible interaction or support available from government, either local or central.

I think it is our own tech plus being near a global city with access to global talent that has helped Enternships succeed. It is the technology itself that has enabled our company to go global, with no help from government. Enternships is now a global company, pushing into Europe, and constantly approached by companies abroad, Middle-East, and South Africa. (R. Dey Interview. Conducted by Amy Hochadel, personal communication, 2013)

Dey feels that the politicians are happy to tout Tech City UK in their public relations efforts but that they have no real understanding of the industry and what support is needed for these local-global start-ups (R. Dey, Dey Interview. Conducted by Amy Hochadel, personal communication, 2013). “The key element that must be grasped by both governments and support agencies is that most clusters [...] form and develop not through the actions of any government but by a random combination of locational

factors or advantages” (Brown & McNaughton, 2003, p. 120). It is these factors, location and advantages, that ethnic entrepreneurs feel they need to capitalise on.

Dr Khatib of Medopad says unequivocally that, in his view, local elected officials are not supporting or coordinating efforts with entrepreneurs in this space. “The short answer is no,” says R. Khatib (Khatib Interview. Conducted by Amy Hochadel, personal communication, 2014), although he adds that positive expressions of support are being talked about in government and that they are thinking about ways to improve that support, but that this has not been translated into anything tangible for local entrepreneurs. He believes they have good intentions but with no understanding of what entrepreneurs need and have therefore not provided any real assistance (R. Khatib, Khatib Interview. Conducted by Amy Hochadel, personal communication, 2014). Dr. Khatib said that Medopad has unsuccessfully applied several times for government small business grants for companies that are working in the medical-technology field; the process has been so daunting, with such little payoff, that it is not worth spending precious employee time and effort on the applications.

The interviews conducted here indicate a potential problem: if new or helpful programmes exist, local entrepreneurs either do not know about them or choose not to pursue them. The overriding sentiment seems to be that help does not exist, that entrepreneurs will not get help from elected officials and that they need to build their businesses on their own or in local business networks. Khatib feels that he does know about some potential support mechanisms for small businesses like his but that in the end the assistance never comes through: “I do see a lot of positive things happening with this government and think they are looking for ways to improve, but, we have applied for many, many grants and funds and received not a single penny of assistance, support, access or money has been given” (R. Khatib, Khatib Interview. Conducted by Amy Hochadel, personal communication, 2014).

It should be noted that some local elected officials feel that they are providing access to opportunities, if not direct assistance. As highlighted in Chap. 2, the Hackney Councillor, Guy Nicholson, took a delegation of councillors and local businesses to an international business conference in 2013 to encourage investment in the borough. Nicholson explains and defends his activities by saying, “Our approach to growth in east London is to use local government and the business community, which is led by SMEs, to generate social and economic prosperity. If this means engaging

in foreign travel to expand our reputation and generate trade, so be it” (Nicholson, 2013). While this was not an established local government assistance programme, it highlights efforts by local elected officials to think “out-of-the-box” and to pursue opportunities which are currently not being provided by central government.

There appears to be several disconnects in the system. Primarily, not all local elected officials are actively pursuing programmes or supporting initiatives with local entrepreneurs, globally or locally, and in those areas that are attempting to support local businesses, the local business community either may not be aware of the programmes or does not take advantage of them.

COMPARING STRUCTURES AND BEHAVIOURS IN GLOBAL ENTREPRENEURS AND TRANSFORMATIONAL LOCAL ELECTED OFFICIALS

In looking at the impact of globalisation at the local level, both local elected officials and global entrepreneurs exhibit behaviours and structures (either operating structures or policies) with similar and reinforcing characteristics. This section draws comparisons and contrasts in the behaviours and structures between local, global entrepreneurs and local elected officials. Across the course of interviews with both groups, three general themes emerged:

1. The agency of each is similar and reinforces each other along the lines of motivation and representation
2. The structure of each is similar and reinforces each other along the lines of transnational neopluralism, transmigration and global cities
3. Although both agency and structure is similar and may reinforce each other, there is very little active coordination or interaction between entrepreneurs and local elected officials and, at times, there is a significant amount of distrust of local elected officials by entrepreneurs

Within agency, the transformational local elected officials studied here indicated that they were motivated by a political drive or instinct. Within these activities, they feel they are representing either their political party specifically, or a broader set of global ideals and issues. Whilst still very

committed to serving their constituency, their motivation is to advance their political party, or their role within it, whilst addressing seemingly intractable societal problems. They want to make a difference through helping people and they feel their activities on the global stage have positive implications for both their constituents and the population in general, for example, by mitigating the harmful impact of climate change on the health of children in Hackney whilst helping to combat the issue globally. Similarly, the agencies of the local, global entrepreneurs interviewed here, embodied by postnationalism, indicate similar idealistic and civic motivations. They were particularly driven by an instinct to create: to create businesses, global networks or personal connections. They want to create global businesses that bring people together from around the world. They use their business agenda to facilitate a level of representation at both the local and global level. Locally, they use their influence to participate in civic agendas, either those connected to their ethnic community or the issues in which they invest. At the global level, some leverage their networks and connections to reinvest and support their community in their host country, although this was more prominent in first generation ethnic entrepreneurs than second generation. The level of civic engagement also manifests itself in forming businesses as social enterprises in which a portion of their profit is directly reinvested back into the local community. Whether at home or abroad, they connect with people in a personal—rather than virtual—manner.

Stephen Bediako from The Social Innovation Partnership established his company as a social enterprise working on youth and criminal justice policy because he wanted to have a significant impact on improving the lives of London's youth. As a child of Ghanaian immigrants who lost his parents at an early age, Stephen himself had a difficult childhood. He acknowledges that his life could have gone in a very different direction, involving crime and gang involvement. But with support and mentoring from other successful black entrepreneurs allowing him to see and invest in the potential of his life, Stephen now has a master's degree from the London School of Economics and a very successful consulting company advising local government on policy and crime issues. Because of this background, he established a company that chooses its clients and contracts by their degree of positive social impact, rather than their ability to generate maximum profit. Having a positive social impact is a top priority for Bediako and a reoccurring theme amongst the entrepreneurs

interviewed here. Their view of “positive social impact” is represented by Goodman:

Welcome to the world of impact entrepreneurship, which places as much importance on socially conscious activities as on profit. With consumers increasingly weary of perceived corporate greed, companies peddling products and services that tackle societal and environmental ills are gaining a following. Incubators aimed at impact entrepreneurship are sprouting up. And investors are warming to the do-good trend. (2013)

As a social enterprise, The Social Innovation Partnership directs a portion of its profits back into social programmes that are helping to improve the lives of London’s youth. Both transformational local elected officials and local, global entrepreneurs in this research displayed a high level of desire to have a positive social influence through their work—especially as some of the entrepreneurs interviewed here, like Bediako, are keenly aware of the inequalities faced by immigrants and minorities. “I feel that I have been given an opportunity that most young black men just don’t get, particularly those with an immigrant background. I have been able to achieve something and so I really feel like I also need to give something back” (S. Bediako, Bediako Interview. Conducted by Amy Hochadel, personal communication, 2015).

Transformational local elected officials operating in legislative-activist structures have gained access to global networks through global cities, an activity conceptually represented as transnational neopluralism. Local, global entrepreneurs also operate through a system of global cities, rather than countries, to target their markets. Furthermore, both actors are engaged in forms of global networks, both as individuals and as members of groups. Local elected officials are joining together with their peers in global networks to address, amongst others, issues of education, transportation, climate change and terrorism. Global entrepreneurs are building clusters of partnerships at the local level, akin to the historic concept of a local bazaar. The entrepreneurs connect to each other both to broaden their scope and scale but also to connect themselves to global corporate companies. Similarly, both local entrepreneurs and local elected officials are promoting themselves as individuals on the global stage. In the interviews conducted here, both actors provided examples in which they personally engaged in forms of public diplomacy outside their host countries.

By capitalising on the new economic industries in and around global cities as well as joining networks of global cities around the world, local elected officials have helped places like Hackney gain economic traction and promote interest on the global stage. In an article in the Hackney Gazette (Bartholomew, 2015), a spokesperson for Hackney City Council reported that “over the last two years, Hackney House Austin generated an estimated £18m of investment from a range of businesses whilst enabling the borough to forge close working relationships with Austin and the Norwegian capital Oslo that was celebrated last year with Oslo meets Hackney 14”; meaning that the participation in a global technology conference in Texas (the USA) has helped Hackney to form business relationships with other countries, Norway in this case.

A formal agreement between Hackney and Oslo, the MOU symbolises a long-standing collaborative relationship in trade and investment, promoting tech and creative industries, raising the awareness of business investment and support opportunities, exchanging knowledge and best practice and helping to boost the growth and success of small businesses. (Hackney.gov, 2015)

Similarly, local entrepreneurs use global cities as their hubs for business, both creating virtual and in-person local marketplaces with global reach. Ethnic entrepreneurs have been able to leverage their status as transmigrants to build economic bridges between their host country, home country and throughout their global networks. Mr. Neves, CEO of farfetch.com, says that he intentionally uses his global contacts and his lifelong instinct of meeting and connecting new people to build an international business base for his company.

Despite the similarities and reinforcements of their activities and methods, this research found little coordination between local elected officials and ethnic entrepreneurs. At a minimum, there is inclusion of some SMEs in business attraction efforts, for example, when Hackney and several local businesses attended the South by SouthWest Technology Conference in 2014 to promote both their local Tech City and local businesses. However, in most interviews, local elected officials failed to make a strong connection between their work at the global level and facilitation of local entrepreneurs’ work at the local level. Similarly, local entrepreneurs, although civically minded, had no interest in engagement with local elected officials and, at times, expressed distrust and frustration with programmes

to support local businesses. Dr. Kahtib of Medopad says he no longer pursues any government support for small business and does not seek assistance from local government because the bureaucracy involved tends to outweigh any potential benefit. At times, local entrepreneurs were unaware of the benefit they could or actually were receiving as a result of local government efforts. For example, Medopad operates out of a social enterprise incubation office with access to resources and networks which were funded by Westminster City Council in collaboration with a partnership of private investors.

Although there are many similarities in structures and behaviours between local elected officials and local, global entrepreneurs, there appears to be a low level of coordination between the two. Notwithstanding, their actions may be reinforcing each other in those authorities with transformational leadership and a higher level of global fluency, as in Hackney as opposed to Barking & Dagenham. The actions of local elected official and local, global entrepreneurs are seemingly aligning at the global level and having a positive influence on local economic development.

CONCLUSION

In this research, two civically invested groups, both of which are operating within local economies and acting on the global stage, are explored: local elected officials who wish to revitalise their local economy and entrepreneurs in those local areas starting global businesses which contribute to the revitalisation of local economies. In this chapter, the operating structures and behaviour with which to understand local entrepreneurs on the global stage has been explored. It has sought to explain how structure and agency combined can be understood amongst existing models of ethnic entrepreneurship, the structure and agency elements of ethnic entrepreneurs that are at play in this context, and how entrepreneurs and local elected officials interact.

While there exists a small body of research that indicates entrepreneurs, particularly those in new economic sectors, can contribute to the vitality of local economies, there is no previous research that creates a dyadic framework of structure and behaviour to fully conceptualise the phenomenon. There is also no existing literature which then compares and contrasts the structure and agency of local elected officials to that of local ethnic entrepreneurs with global businesses. Filling this gap in the literature helps understand the impact of globalisation on local areas, especially as these

two actors are engaging in similar activities, with similar goals in ways that have rarely been seen before at the local level.

In examining the models of ethnic entrepreneurship, it has been found that there is no need to reinvent the wheel. While there is no one model that helps understand the current phenomenon, by considering a dyadic framework of two theories, postnationalism agency, alongside transmigrant operating structures, the activities and behaviours of local entrepreneurs on the global stage can be understood.

The postnational framework provides a view of agency and helps interpret the responses from qualitative interviews sought in this research. Three elements of agency were prevalent throughout the interviews with entrepreneurs. Firstly, entrepreneurs have an instinct to create and, in this case, the outcome being a global company, with many entrepreneurs creating more than one during their professional lifetime. Secondly, there is a distinction between first- and second-generation ethnic entrepreneurs in relation to their ethnic business identity: first-generation ethnic entrepreneurs maintained a visible connection to their homeland and positioned themselves as “ethnic” entrepreneurs; for example, as an Indian entrepreneur, not only in conversation but also in the promotion of their businesses. For second-generation immigrant entrepreneurs, it was found that while not denying their ethnic identity, this is not a part of their business ethos. They describe themselves as entrepreneurs, global young leaders, innovators, and other labels, before they identify with their ethnicity as part of their business. Thirdly, they all indicated an interest in local civic participation and they actively pursued philanthropic activities, political participation, local community good works and a general engagement in the activities of their local communities. Furthermore, first-generation immigrant entrepreneurs were likely to engage in civic activities in both their host and native countries.

Transmigrant theory and framework has been employed to understand operating structure, alongside postnationalism indicating behaviour. The first- and second-generation ethnic entrepreneurs interviewed all discussed their operating structure within the global market as a vast network of family and friends emanating from their host country, their native homelands and expanding further afield from those networks. Three elements about the implications of operating structure on local, global entrepreneurs were revealed. Firstly, those entrepreneurs, seeking to establish local new economic sector businesses with global reach, set up the companies to be global from day one: meaning, they did not seek to establish a foothold

in a local or national market and then to expand into a global market; they began with the global market. Although they positioned their companies with a local physical presence, they aim to provide global solutions. Secondly, these companies frequently align with other similar companies as well so to position themselves as unofficial partners to global corporate entities. Thirdly, they focus on global cities, not countries, as their markets which better positions them to interact with each other and to enable more personal interaction to take place, as well as being seen as a friendlier place to do business rather than through central governments. In looking at the second and third findings together, a further insight was revealed: local entrepreneurs use globalisation to create virtual global solutions that are physically manifested in personal interactions at the local level. This reinforces Sassen's work on global cities which revealed that, whilst technology and transportation have created a system in which businesses can operate virtually and remotely, there is still a strong desire to physically congregate in and around global cities, connect personally to their clients, and to engage in local and global civic activity. The ethnic entrepreneurs interviewed see global cities—and not countries—as their target markets. This has been likened to the phenomenon of the Greek and Roman times bazaars found at trading crossroads. In this global bazaar, companies are able to leverage their relationships with each other to seek opportunities for all involved and bring it right back down to the local area with a personal touch.

In comparing the behaviour of local elected officials to that of ethnic entrepreneurs in their communities, it was found that motivations and actions strongly align and reinforce each other in driving local economic development. Transformational local elected officials drive agency, motivated by a personal political agenda and globally idealistic goals. Similarly, local entrepreneurs are motivated by a strong desire to create and connect globally and to participate civically at home and abroad.

Structurally, transformational local elected officials, operating in legislative-activist local governments, are operating through global cities as access points, aligning to the theory of transnational neopluralism, in order to participate on the global stage both as individuals and in global networks. Ethnic entrepreneurs are also aligning their businesses to global cities as their primary target markets, as opposed to countries or local areas. They are leveraging their inherent trans-migrant structures to connect global businesses both individually and as networks or partnerships.

Finally, the level of connection and coordination between local elected officials and entrepreneurs, both operating at the local and global level simultaneously, was assessed. The research found that elected officials in some local authorities recognise the value in facilitating local entrepreneurs that are building global start-ups in new economy sectors. However, local elected officials appear to be in a phase of testing both various funding models and also local physical models. Some productive assets have been established, such as London's Tech City and social impact hubs like Hub Westminster; however, it appears that while there is good intent on the part of local elected officials, there is insufficient coordination, discussion and transparency to build the initiatives together. Ethnic entrepreneurs expressed a general distrust of elected officials and government programmes and felt that they personally had not directly received any benefits from these local programmes or, indeed, in some cases did not know of their existence. Incongruously, several of the entrepreneurs interviewed were in the locations established by those same government programmes such as Tech City or Hub Westminster. When asked directly about joint activities with each other, both local elected officials and entrepreneurs said they do not coordinate their efforts.

This chapter has sought to delve into the phenomenon of local entrepreneurs with global companies and to draw out any connections with the actions of local elected officials who are also acting to connect local economies to the global market. Chapter 5 will explore these phenomena in practicality by engaging in case studies of three local authorities in London where the activities discussed herein are taking place.

REFERENCES

- Aldrich, H., & Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16(1), 111–135.
- Barrett, G., Jones, T., & McEvoy, D. (2003). United Kingdom: Severely constrained entrepreneurialism. In R. Kloosterman & J. Rath (Eds.), *Immigrant entrepreneurs: Venturing abroad in the age of globalisation*. Oxford: Berg.
- Bartholomew, E. (2015). Plug pulled on Hackney's SXSW tech trade venue. *Hackney Gazette* [online]. Retrieved July 2, 2015, from http://www.hackneygazette.co.uk/news/plug_pulled_on_hackney_s_sxsw_tech_trade_venue_1_3978880
- Bonacich, E. (1973). A theory of middleman minorities. *American Sociological Review*, 38(5), 583.
- Borjas, G. (1986). The self-employment experience of immigrants. *The Journal of Human Resources*, 21(4), 485.

- Brenner, N. (1998). Global cities, glocal states: Global city formation and state territorial restructuring in contemporary Europe. *Review of International Political Economy*, 5(1), 1–37.
- Brown, P., & McNaughton, R. (2003). Cluster development programmes: Panacea or placebo for promoting SME growth and internationalization. In *Globalization and Entrepreneurship: Policy and Strategy Perspectives* (p. 106). Cheltenham: Edward Elgar.
- Cerny, P. (2010). *Rethinking world politics*. New York: Oxford University Press.
- Chaganti, R., & Greene, P. (2002). Who are ethnic entrepreneurs? A study of entrepreneurs; ethnic involvement and business characteristics. *Journal of Small Business Management*, 40(2), 126–143.
- Clark, K., & Drinkwater, S. (2000). Pushed out or pulled in? Self-employment among ethnic minorities in England and Wales. *Labour Economics*, 7(5), 603–628.
- Dana, L. (2007). Introduction. In L. Dana (Ed.), *Handbook of research on international entrepreneurship* (1st ed., p. 4). Cheltenham: Edward Elgar Publishing.
- Dana, L., Etemad, H., & Wright, R. (2004). Back to the future: International entrepreneurship in the new economy. In M. Jones & P. Dimitriatos (Eds.), *Emerging paradigms in international entrepreneurship* (1st ed., pp. 19–34). Cheltenham: Elgar.
- Dana, L. P., Korot, L., & Tovstiga, G. (2003). Toward a transnational technoculture: An empirical investigation of knowledge management. In H. Etemad & R. Wright (Eds.), *Globalization and entrepreneurship: Policy and strategy perspectives* (1st ed., pp. 183–204). Cheltenham: Edward Elgar.
- Delaney, L. (2004). The new globetrotters. In L. Dana (Ed.), *Handbook of research on international entrepreneurship* (1st ed., pp. 58–73). Cheltenham, UK: Edward Elgar Publishing.
- Douhan, R., & Norbäck, P.-J., & Persson, L. (2010, March). Entrepreneurial innovations, entrepreneurship policy and globalization. CEPR Discussion Paper No. DP7752. Retrieved from SSRN: <https://ssrn.com/abstract=1578102>
- Duffell, B. (2014). Entrepreneur named in ‘top 100 happy people’ list. GetHampshire.co.uk [online]. Retrieved January 6, 2015, from <http://www.gethampshire.co.uk/news/local-news/entrepreneur-named-top-100-happy-7186313>
- Dunning, J. (1995). Reappraising the eclectic paradigm in an age of alliance capitalism. *Journal of International Business Studies*, 26(3), 461–491.
- Dyer, L., & Ross, C. (2007). Advising the small business client. *International Small Business Journal*, 25(2), 130–151.
- Engardio, P., & Burrows, P. (1997). Where immigrants find a melting pot of gold. *Business Week*, 3541, 123.
- Etemad, H., & Wright, R. (2003). Internationalization of SMEs: Toward a new paradigm. *Small Business Economics*, 20(1), 1–4.

- Faist, T. (2010). Towards transnational studies: World theories, transnationalisation and changing institutions. *Journal of Ethnic and Migration Studies*, 36(10), 1665–1687.
- Farfetch.com. (2015). About us [online]. <https://www.farfetch.com/om/pag1988.aspx?ffref=fttr>
- Filion, L. J., Ramangalahy, C., Brenner, G. A., & Menzies, T. V. (2004, May 26). Chapter 13: Chinese, Italian and Sikh ethnic entrepreneurship in Canada: Implications for the research agenda, education programmes and public policy. In M. V. Jones & P. Dimitratos (Eds.), *Emerging paradigms in international entrepreneurship (McGill international entrepreneurship series) hardcover* (p. 295). Cheltenham: Edward Elgar Publishing.
- Florida, R. (2002). *The rise of the creative class*. New York: Basic Books.
- Fujita, K., & Hill, R. (1998). Industrial districts and economic development in Japan: The case of Tokyo and Osaka. *Economic Development Quarterly*, 12(2), 181–198.
- Gidley, B., & Jayaweera, H. (2010). An evidence base on migration and integration in London. In *Centre on migration, policy and society*. London: University of Oxford.
- Goodman, M. (2013). ‘Impact Entrepreneurship’ places importance on social consciousness. *Entrepreneur* [online]. Retrieved August 1, 2015, from <http://www.entrepreneur.com/article/225480>
- Greene, P., & Butler, J. (1997). *Wealth building and entrepreneurship: Lessons from Pakistani/Ismaili enterprises*. Babson Conference on Entrepreneurial Research. Wellesley, MA: Babson College.
- Hall, S. (2013a). Multilingual citizenship. *Discover Society*, 1, 1–3.
- Hall, S. (2013b). Super-diverse street: A trans-ethnography across migrant localities. *Ethnic and Racial Studies*, 38(1), 22–37.
- Hall, S. (2013c). The politics of belonging. *Identities: Global Studies in Culture and Power*, 20(1), 46–53.
- Iyer, G., & Shapiro, J. (1999). Ethnic entrepreneurial and marketing systems: Implications for the global economy. *Journal of International Marketing*, 7, 83–110.
- Jones, M., & Dimitratos, P. (2004). Emerging paradigms in international entrepreneurship: A synopsis. *Emerging Paradigms in International Entrepreneurship*, 3, 4.
- Jones, T., McEvoy, D., & Barrett, G. (1992). *Small business initiative: Ethnic minority business component. End of Award Report W108 25 1013 to the Economic and Social Research Council*. Liverpool: Liverpool John Moores University.
- Kloosterman, R., van der Leun, J., & Rath, J. (1999). Mixed Embeddedness: (In)formal Economic Activities and Immigrant Businesses in the Netherlands. *International Journal of Urban and Regional Research*, 23(2), 252–266.
- Lachman, M., & Brett, D. (1996). Changing demographics and their implications for retailing. In *Megatrends in retail real estate* (pp. 43–64). Dordrecht, Netherlands: Springer.

- Lee, L., & Wong, P. (2003). Attitude towards entrepreneurship education and new venture creation. *Journal of Enterprising Culture*, 11(4), 339–357.
- Light, I., & Bonach, E. (1988). *Immigrant entrepreneurs*. Berkeley: University of California Press.
- London Borough of Hackney. (2015). Oslo signs historic trade agreement with Hackney. Hackney.gov. [online]. Retrieved February 17, 2015, from <http://news.hackney.gov.uk/oslo-signs-historic-trade-agreement-with-hackney>
- Lopez, D. (2012). Tech winds are blowing east. Global Conversations [online]. London: Foreign and Commonwealth Office. Retrieved October 24, 2012, from <http://blogs.fco.gov.uk/dannylopez/2012/05/29/tech-winds-are-blowing-east/>
- Masurel, E., & Nijkamp, P. (2004). Differences between first-generation and second-generation ethnic start-ups: Implications for a new support policy. *Environment and Planning, C, Government & Policy*, 22(5), 721–737.
- Mazzucato, M. (2011). *The entrepreneurial state*. London: Demos.
- McDougall, P., & Oviatt, B. (2000). International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, 43(5), 902–906.
- McMahon, S. (2015). *Immigration and citizenship in an enlarged European Union*. London: Palgrave Macmillan.
- Nicholson, G. (2013). South by North-East? Business trips abroad can build global links [online]. *The Guardian*. Retrieved January 31, 2014, from <http://www.theguardian.com/local-government-network/2013/mar/26/hackney-council-sxsw-local-government-trips>
- Nijkamp, P., Sahin, M., & Baycan-Levent, T. (2009). *Migrant entrepreneurship and new urban economic opportunities*. Tinbergen Institute discussion paper. TI 2009-025/3. Amsterdam: Tinbergen Institute.
- Oliveira, C. (2007). Understanding the diversity of immigrant entrepreneurial strategies. In L. Dana (Ed.), *Handbook of research on ethnic entrepreneurship: A co-evolutionary view on resource management* (1st ed., pp. 30–41). Cheltenham, England: Edward Elgar Publishing.
- Oliveira, C. (2010). The determinants of immigrant entrepreneurship and employment creation in Portugal. In OECD (Ed.), *Open for business migrant entrepreneurship in OECD countries* (1st ed., pp. 125–148). Paris: OECD Publishing.
- Oxford Economics. (2013). *How successful SMEs are reinventing global business. SMEs: Equipped to compete*. Oxford: Oxford Economics.
- Porter, M. (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15–34.
- Portes, A. (2003). Conclusion: Theoretical convergencies and empirical evidence in the study of immigrant transnationalism. *International Migration Review*, 37(3), 874–892.

- Portes, A., Guarnizo, L., & Haller, W. (2002). Transnational entrepreneurs: An alternative form of immigrant economic adaptation. *American Sociological Review*, 67(2), 278.
- Ram, M., & Jones, T. (1998). Ethnic Minorities in Business [online]. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship. Retrieved August 23, 2015, from <http://ssrn.com/abstract=1510004>
- Rusinovic, K. (2006). *Dynamic entrepreneurship*. Amsterdam. Amsterdam: University Press.
- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.
- Saxenian, A. (1999). *Silicon Valley's new immigrant entrepreneurs*. San Francisco, CA: Public Policy Institute of California.
- Schiller, N. G., Basch, L., & Blanc-Szanton, C. (1992). Transnationalism: A new analytical framework for understanding migration. In N. G. Schiller, L. Basch, & C. Blanc-Szanton (Eds.), *Toward a transnational perspective on migration* (pp. 1–24). New York: New York Academy of Sciences.
- Sharma, E. (2013). Generation gap in family business: Comparison of entrepreneurial traits of first and second generation entrepreneurs. *International Journal of Humanities, Arts, Medicine and Sciences*, 1(2), 7–14.
- Short, L., & Kogut, C. (2012). Immigrants and self employment. *Academy of Entrepreneurship*, 18(1), 17.
- Simmel, G. (1908). *Sociology: Investigations on the forms of sociation*. Berlin: Duncker & Humblot.
- Smith, K. (2001). Bisociation, discovery and the role of entrepreneurial action. In *Strategic entrepreneurship: Creating a new integrated mind-set* (p. 51). Oxford: Blackwell.
- Sombart, W. (1914). *The Jews and modern capitalism*. Glencoe, IL: Free Press.
- Soysal, Y. (1994). *Limits of citizenship*. Chicago, IL: University of Chicago.
- Talani, L. (2005). Out of Egypt: Globalisation, marginalisation and illegal Muslim migration to the EU. Occasional Lecture Series. Retrieved from <http://escholarship.org/uc/item/84t8q4p1>
- Talani, L. (2009). *From Egypt to Europe*. London: Tauris Academic Studies.
- The Organisation for Economic Co-operation and Development (OECD). (1997). *Globalisation and small and medium enterprises*. Paris: OECD Publishing.
- Volery, T. (2007). Ethnic entrepreneurship: A theoretical framework. *Handbook of Research on Ethnic Minority Entrepreneurship*, 1, 30–41.
- Waldinger, R., Aldrich, H., & Ward, R. (1990). *Ethnic entrepreneurs*. Newbury Park, CA: Sage Publications.

- Ward, R., & Jenkins, R. (1984). *Ethnic communities in business*. Cambridge [Cambridgeshire]: Cambridge University Press.
- Weber, M. 1930 [1904]. *The Protestant ethic and the spirit of capitalism* (Talcott Parson, Trans.). New York: Charles Scribner's Sons.
- Wong, L. (1997). The future of the American mosaic: Issues in immigration reform. *Stanford Law & Policy Review*, 7, 2.
- Wong, L., & Ng, M. (1998). Chinese immigrant entrepreneurs in Vancouver: A case study of ethnic business development. *Canadian Ethnic Studies*, 30(1), 64–85.
- Wood, A. (2013). Tech City UK fails to disclose spending. *Tech City News* [online]. Retrieved January 20, 2014, from <http://techcitynews.com/2013/12/06/tech-city-uk-fails-to-disclose-spending/>

Beyond Policy and Behaviour: A Local Government Model for Global Participation

Chapters 2 and 3 respectively, looked at the changing policies and behaviours of local elected officials and the changing operational structures and behaviours of local, global entrepreneurs. The purpose of this chapter is to consider how these changes can be understood and explained through a dyadic model in local government of policy-plus-behaviour, with both policy and behaviour linked as a function of each other. A study of changes in behaviours can help contextualise a framework for agency, whilst an understanding of the issues of globalisation, including the retreat of the welfare state, retrenchment of local authorities, and a growing complexity of layers in the global system, can help contextualise the policies. However, to fully conceptualise the broader phenomenon, a dyadic framework of interacting policy and behaviour can help explain the broader implications of localities and their entrepreneurs pursuing global activities. In the research presented here, behaviour is examined through a transactional or a transformational style of leadership, which is then coupled with policy, identified as either administrative-executor or legislative-activist for local government. In pursuing these questions, the research considers whether local governments have shifted their internal configurations from being structurally administrative-executors with an agency of transaction, to a legislative-activist structure with transformational agency to facilitate these activities and seek local growth from a global market.

As Nye's work (2008) focuses on transformational political leadership, it is well placed to inform the argument presented here, in particular, whether combinations of transactional and transformational behaviours

have a different impact when combined with either the legislative-activist structure or the administrative-executor structure of local government.

The framework of “Global Fluency” (Clark & Moonen, 2013) is employed for looking at implications of globalisation on local policies as a stimulus or catalyst for a shift in behaviour, and for this shift in behaviour to act as a catalyst for the changing policies. This research suggests this dyadic shift may be the quintessential formula that enables globally fluent cities to become economically stronger and more independent at the global level.

Within the changing roles of policy and behaviour, the dyadic arrangement appears to be linked. Whereas the process under structural theory delineates actions such as local government interacting with national government or structure-to-structure, new activities indicate a model which may involve an independent local elected official emerging from the structure to interact with other structures, both national and global, as well as with other types of actors at multiple levels. This means that a shift in activity has occurred from simply structure-to-structure interaction to one of structure or individuals interacting with another structure or individual at multiple levels.

Understanding why local officials, acting as transformational leaders, feel independently empowered and how local policies can either facilitate or obstruct their actions are critical questions. To explain the changes at the local level, an integrated model of both behaviour and policy within local government is devised, leading to four potential combinations:

- transactional behaviour with administrative-executor policy;
- transactional behaviour with legislative-activist policy;
- transformational behaviour with administrative-executor policy; and
- transformational behaviour with legislative-activist policy.

The first combination is that local elected officials maintain a transactional form of behaviours with local government engaging in administrative-executive policy. In this instance, local elected officials attempt to maintain the status quo while working with fewer resources and little support. Frequently, in an environment where the area is in decline, local officials working within this policy-behaviour framework express a hope of returning their area to a “former glory”. Conversely, there may also be combinations of a transactional local elected official with a legislative-activist policy structure, as well as a transformational local elected official with an

administrative-executor policy structure. These two outcomes appear to position the behaviours and policies at odds with each other. Finally, there is the potential outcome of a legislative-activist policy structure coupled with transformational behaviour where the local area shifts its policies to allow for multiple forms and paths of interaction with other structures and individuals. Each of these combinations can have an impact irrespective of whether a local area is engaging in acts of government or acts of governance.

The evidence that elected officials are engaging in global activities beyond the traditional scope of city-to-city trade or city marketing and tourism is clear (Beauregard, 1995; Cerny, 1990, 1997, 2010a, 2010b; Friedmann & Wolff, 1982; Sassen, 1991, 2000, 2001). What is not clear is a conceptualisation that links together structural and behavioural changes as a result of globalisation's impact at the local level. This provides an opportunity for this research to fill the gap and to consider the implications for the nation-state and to provide a conceptual analysis and framework.

APPROACH

The research involved personal interviews with local elected officials across four London boroughs between 2012 and 2014. Three of the boroughs are included in the case studies conducted in Chap. 5. In addition to local councillors, the Member of Parliament for East London, Stephen Timms, was also interviewed. Five councillors were from Hackney, five were from Barking & Dagenham, three from Tower Hamlets and one from the neighbouring borough of Newham. Twelve councillors were from the Labour party, one councillor was a Conservative and one was a member of the Tower Hamlets First party (at the time of the interviews). The UK Electoral Commission removed the Tower Hamlets First party from the recognised list of political parties in 2015. Councillor Oliur Rahman in Tower Hamlets was also the acting mayor for one month during the course of the research. It was difficult to attain interviews with the local councillors of all parties, but especially among the Tower Hamlets First Party members. Related to behaviour, councillors were questioned regarding their background and motivation to participate in local politics and whom they feel they represent in carrying out their work—their local ward, the borough, the nation or a commitment to a broader set of ideals. In terms of local policies, the councillors were asked about how they participated internationally or on the global stage and how the local council's

policies and leadership supported and facilitated these types of activities. The councillor's responses were then measured against the categories of whether the local elected official's behaviour indicated transactional or transformational activity and how the policies of the local government either inhibited or facilitated their behaviour, to thus categorise the boroughs as having administrative-executor structure or legislative-activist structure. A dyadic framework was then constructed to represent the pairing of structure and agency and potential outcomes.

The traditional model of local government is to have an administrative-executor policy structure and a transactional form of behaviour among local elected officials. These designations were used as the baseline for the research when scoring policies and behaviour. The traditional administrative-executor policy and the transactional form of behaviour is therefore analogous with a low level of global fluency. The rating for policy and behaviour was applied by scoring the councillors along Clark and Moonen's (2013) *The ten traits of globally fluent metro areas*. A scale of zero to three was used depending on the view of the author as to whether the councillor had no awareness of external or global activities beyond the local border (a zero); a one if they had some awareness of global activities but no engagement; a two if they were working to position the borough for participation in a global economy; and finally, a three if they were actively engaging their borough in global economic activity. In this research, both transformational behaviour and a high level of global fluency are inextricably linked. Similarly, policy was scored on a scale of zero to three, from having no policies or leadership facilitation of global activities to a council structure that fully supports and encourages global work. Policies in this instance can be official written policy or the policy of the council leader or Mayor to support the activity. A higher level of global fluency equates to a more legislative-activist structure. The results were then compared across the three case study boroughs. If the average score for behaviour was above a two, the councillor was deemed to be transformational and more globally fluent. Similarly, for policy, a two or above indicated a legislative-activist model of local government and a high level of global fluency.

A NEW MODEL FOR GLOBALISED POLICY AND BEHAVIOUR IN LOCAL GOVERNMENT

This research further elaborates on the implications of the dyadic framework, taking into consideration the activities of global fluency among legislative-activist cities and juxtaposing them with the transformational

leaders who are employing new tactics, demonstrating different motivations, and expanding concepts of representation—from local constituents to global ideals.

Looking at the various combinations of policy and behaviour, it is possible to consider potential outcomes of each combination. Two of the combinations are complementary and work in concert to reinforce each other: the transactional local elected official in an administrative-executor policy structure and the transformational local elected official in a legislative-activist policy structure. Two permutations lead to “no significant change” because the behaviours and policies cancel each other out: these are a transformational elected official in an administrative-executor policy structure and a transactional official in a legislative activist policy structure. Therefore, different combinations of agency and structure have the potential to yield different results. A transactional official in a legislative-activist policy structure does not take advantage of the opportunity and no change occurs. A transformational official in administrative-executor policy structure has no mechanisms through which to influence change. A transactional official working in an administrative-executor policy structure complement each other but result in a struggle to maintain the status quo with no real ability to move beyond it; the system maintains the current “government” structure. A transformational official working in a legislative-activist policy structure has the ability to influence and deliver significant change in the status quo through engagement in new activities outside the traditional framework; the system encourages a form of “governance” (Fig. 4.1).

The transactional local elected official and the administrative-executor reinforce each other in a form of local government that fails to take initiative to integrate into the competition economy. In this instance, the city or local area struggles to maintain its status quo but does not engage in new activities to move beyond this state. Areas employing these forms of policy and behaviour either decline or fail to make headway in establishing solid economic structures to support the local area moving forward.

The transformational leader in the legislative-activist policy structure is both motivated and supported to work outside the traditional hierarchy, systems and protocols of local government. While it does not guarantee that transformational leaders seek the correct activities or policies, it provides the best opportunity for seeking global solutions to local issues.

A further couple of the combinations are contradictory and lead to dysfunctional government that, in addition, does not make significant advances towards a more economically healthy and stable environment.

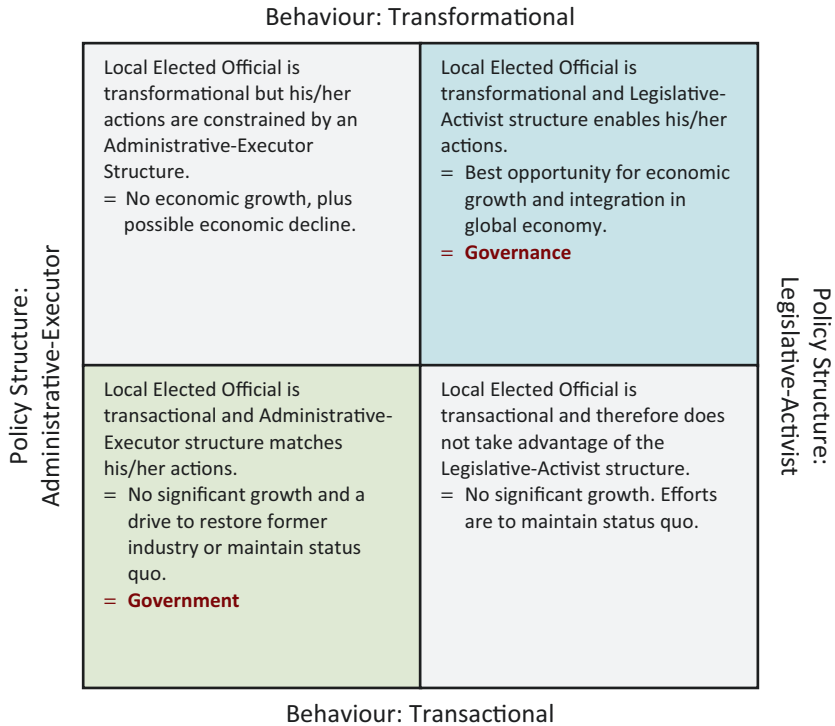


Fig. 4.1 A dyadic framework for policy-plus-behaviour

For example, an administrative-executor policy structure limits the actions of the councillors and mayors to transactional activities only. Therefore, a transformational elected official is prevented from engaging in global activities by the restrictions of administrative-executor policies. Correspondingly, a transactional elected official makes no progress in a legislative-activist policy structure as they attempt only to maintain the status quo and do not take advantage of policies that would allow them to seek global solutions to local issues.

The local areas that have made the shift from administrative-executor, acting in a transactional capacity to one being legislative-activist with transformational leaders, have made a significant transfer from local government to local governance. It is this shift both in policies and behaviour that may allow some local areas to prosper in a globally competitive market. “The capacities to blend together resources and put together a vision that can be shared across a community are seen by many as the key

ingredients of effective local leadership at the beginning of the twenty-first century” (Gains et al., 2009, p. 92).

Global Fluency, as applied to international metropolitan areas such as New York, London, and Tokyo and their surrounding areas, is a term coined in the work of Clark and Moonen, *The ten traits of globally fluent metro areas* (2013). They define global fluency as “the level of global understanding, competence, practice, and reach a metropolitan area exhibits in an increasingly interconnected world economy” (p. 9). They describe how globally fluent metropolitan areas (which can be used interchangeably with the term “global cities”) use the tools of globalisation to their own local benefit and therefore are better able to position their local area for growth in the global economy. These in turn mitigate the challenges of periodic local economic recession and decrease their reliance on central government. Some local areas are exhibiting traits of a legislative-activist structure of local government, which enables the transformational leader to act globally. However, even with the structure in place, it requires active transformational leaders to implement a local-global connection. In other words, when a legislative-activist structure is enabled, not all leaders will have the capacity to take advantage of the system. It is only with an active transformational local leader that a local area will be able to pursue the traits of global fluency.

Clark and Moonen (2013) refer to three stages of progression to global fluency:

1. “Globally Aware”—an understanding of the workings of the global economy but a lack of momentum and of understanding towards integration of the local economies connection to the global
2. “Globally Oriented”—an understanding of the connection between the local and global economy, with efforts across various stakeholders and sectors to position the local economy for growth
3. “Globally Fluent”—full integration of the local economy as a participant in the global economy in which the area skillfully navigates the challenges and opportunities of a global market for the benefit of the local area

A globally fluent area is one which exhibits several of Clark and Moonen’s “Ten Traits”, which are listed in Table 4.1 alongside what the research perceives as how the transformational leader achieves the result. Clark and Moonen point out that it is not necessary to have all ten traits; however, a critical number of these traits are required to gain global fluency.

Table 4.1 *The ten traits of globally fluent metro areas* and the intersection with legislative-activist policy structure and transformational behaviour in the research

<i>The ten traits of globally fluent metro areas (Clark & Moonen, 2013, pp. 4–5)</i>	<i>Intersection with policy and behaviour</i>
1 Leadership with a worldview—“local leadership networks with a global outlook have great potential for impact on the global fluency of a metropolitan area”	Policy: interest in global issues is supported by the local government framework, driven by local government leadership and embedded as an accepted practice within local government Behaviour: local elected officials are interested and involved in activities at the global level
2 Legacy of global orientation—“due to their location, size, and history, certain cities were naturally oriented toward global interaction at an early stage, giving them a first mover advantage”	Policy: planning and implementing economic development opportunities which align to that of the global city Behaviour: transformational leaders see potential and opportunities in location, for example local areas of a global city and how to position themselves to take advantage
3 Specialisations with global reach—“cities often establish their initial global position through a distinct economic specialisation, leveraging it as a platform for diversification”	Policy: detailed plans of an area of specialisation that connects the local economy to the global economy in new economic sectors Behaviour: transformational leaders are able to take up the burden of determining an area’s economic drivers and connection to the global economy without support and direction from central government
4 Adaptability to global dynamics—“cities that sustain their market positions are able to adjust to each new cycle of global change”	Policy: the ability to overcome significant periods of change of both a domestic and foreign impact on local economics Behaviour: transformational leaders with the flexibility and capacity to change course as the economic climate dictates
5 Culture of knowledge and innovation—“in an increasingly knowledge-driven world, positive development in the global economy requires high levels of human capital to generate new ideas, methods, products, and technologies”	Policy: the borough’s demographics in education attainment levels, employment statistics and workforce readiness for global economic sectors Behaviour: transformational leaders understand that the global economy is inextricably tied to a knowledge economy and they seek ways to build this capacity within their area

(continued)

Table 4.1 (continued)

	<i>The ten traits of globally fluent metro areas (Clark & Moonen, 2013, pp. 4–5)</i>	<i>Intersection with policy and behaviour</i>
6	Opportunity and appeal to the world—“metropolitan areas that are appealing, open, and opportunity-rich serve as magnets for attracting people and firms from around the world”	Policy: policies that create appeal both in entrepreneurship and tourism; attention to and investment in business support mechanisms for new economic sectors Behaviour: transformational leaders understanding the nuances of marketing on the global stage through the skills of influence and attraction
7	International connectivity—“global relevance requires global reach that efficiently connects people and goods to international markets through well-designed, modern infrastructure”	Policy: building up of the local infrastructure that helps to connect people and businesses internationally; improving transport links and accessibility Behaviour: transformational leaders prioritise the local connectivity in an effort to draw international business to the area; understanding and replicating best practices from other global cities for connectivity
8	Ability to secure investment for strategic priorities—“attracting investment from a wide variety of domestic and international sources is decisive in enabling metropolitan areas to effectively pursue new growth strategies”	Policy: policies encouraging engagement in innovative and collaborative partnerships, locally and internationally; working towards demographics indicating a healthy mix of small medium and large business interests Behaviour: transformational leaders are dynamic and seek to influence investors on the global stage; they feel empowered to negotiate on behalf of the local area to devise a business framework which might not be traditional but is beneficial for all parties
9	Government as global enabler—“national, state, and local governments have unique and complementary roles to play in enabling firms and metropolitan areas to ‘go global’”	Policy: policies based on a modus operandi of letting central government manage strategic initiatives while local government creates tangible economic connections between local and global entities Behaviour: local transformational leaders feel that national (central) government is “in the way” of local-global economic development and work outside of the central government framework to build collaborative local and global partnerships and economic connections

(continued)

Table 4.1 (continued)

	<i>The ten traits of globally fluent metro areas (Clark & Moonen, 2013, pp. 4–5)</i>	<i>Intersection with policy and behaviour</i>
10	Compelling global identity—“cities must establish an appealing global identity and relevance in international markets not only to sell the city, but also to shape and build the region around a common purpose”	<p>Policy: the legislative-activist model opens up government using governance to connect disparate sectors with a bottom up approach, for example policies supporting ethnic entrepreneurs with global networks; developing a brand that has global reach and the ability to attract both people and business to the area</p> <p>Behaviour: transformational leaders working globally to establish the local brand and encourage local global business connections and knowledge sharing</p>

By looking at the intersection with the traits of global fluency alongside the activities within the framework, it is possible to demonstrate how local areas may progress from globally aware to globally fluent. Those that are at the globally aware phase may have begun the transition from an administrative-executor policy structure to one of legislative-activist or they may have shifted behaviour from transactional to transformative; however, without both transitions, they will lack momentum to become globally oriented or fluent. Local areas that present as globally oriented may have begun to make the shift along both lines of policies and behaviours but are still in the early stages; they have made the connections but have yet to fully enact the activities. While perhaps not achieving all ten, those that have attained a critical number are most likely to have fully integrated the transition to a legislative-activist policy structure carried out by transformational leaders.

INTERVIEWS

Amongst the local councillor interviews across three boroughs, 7 transactional elected officials were identified out of the 13 interviewed. Transactional local elected officials were mostly found in administrative-executor structures; for example, all five of the local councillors interviewed in Barking & Dagenham, a local authority with an administrative-executor policy structure, displayed transactional agency. Concurrently, 6 of the

13 local elected officials interviewed in the case study boroughs were deemed to be transformational. Transformational leaders, in this research, were found more prominently in legislative-activist policy structures; for example, four out of the five councillors interviewed in Hackney displayed transformational agency.

Two types of behaviours in motivation were revealed, and found to be either of a personal political agenda, in which the local elected official aspired for higher office, or it was found to be a public service motivation solely to serve and better the life chances of the constituents in the ward or borough. Six out of the seven of the transactional local elected councillors displayed a public service agenda, whilst five out of six of the transformational officials revealed a political agenda as their primary motivation.

Representation was presented as a reflection of for whom the elected official felt they were carrying out the activities of their work. Four types of representation models were revealed: local, national, political party and global. Transactional elected officials tend to indicate representation of their local ward or borough and believe that the work they undertake should have a direct one-to-one impact on their constituents alone. Three of the transactional officials displayed a broader intention of national representation in that the work they undertake on a local level has positive implications for England as a nation. Four of the transformational elected officials were driven by representation of their political party. They believe the work they undertake will advance the agenda and standing of their political party and themselves within it. Two of the transformational officials felt their local work was a representation of a broader set of ideals, generally based in a view of global activities, for example, how can the local borough contribute to climate change mitigation through local bike schemes (as in Hackney), or how can they recruit alternative energy companies from abroad to power local council estates with solar energy (as in Tower Hamlets) (Figs. 4.2, 4.3, 4.4, and 4.5).

Looking at a cross-section of policy and behaviour in each of the three boroughs provides the conceptualisation from which conclusions can be drawn. In Barking & Dagenham, none of the local councillors interviewed scored above a “one” in rating their global fluency behaviour; the councillors were all deemed to be transactional. Whilst some had an interest in global activities, it was separate and unrelated to their daily work as a councillor. Councillors Geddes and Alasia had the highest average scores of 0.7 for behaviour. Councillor Geddes’ score was primarily based on his understanding of the need for a culture of knowledge and innovation. He

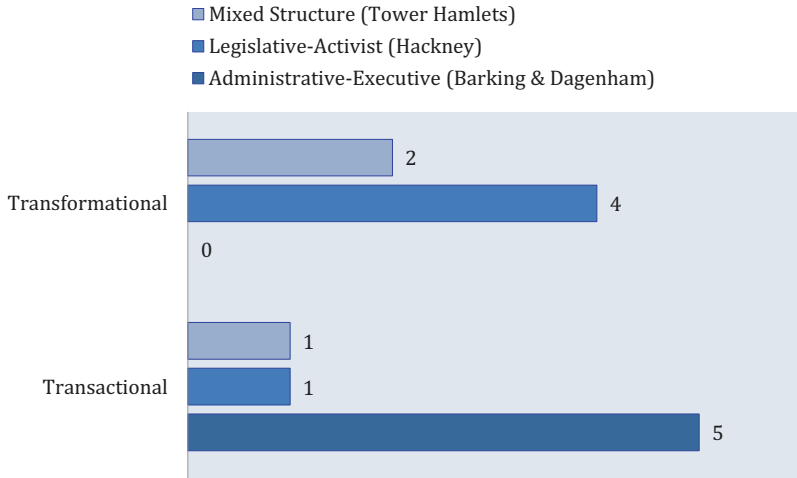


Fig. 4.2 Global fluency—policy structure-plus-behaviour—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets (y axis = behaviour; x axis = number of local elected officials out of total 13)

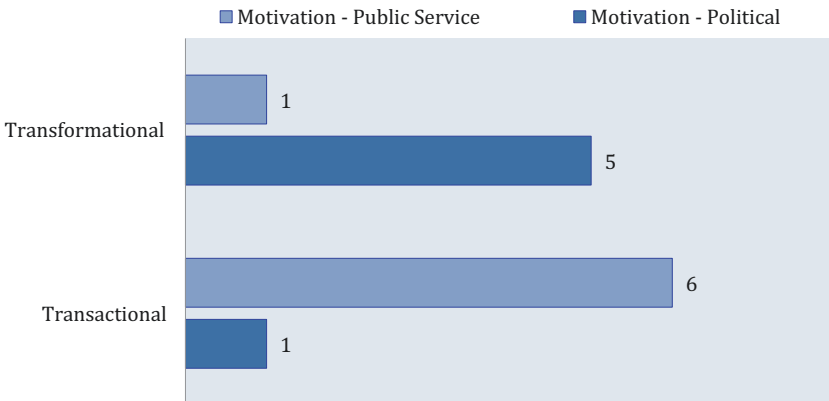


Fig. 4.3 Global fluency—behaviour and motivation—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets (y axis = behaviour; x axis = number of local elected officials out of total 13)

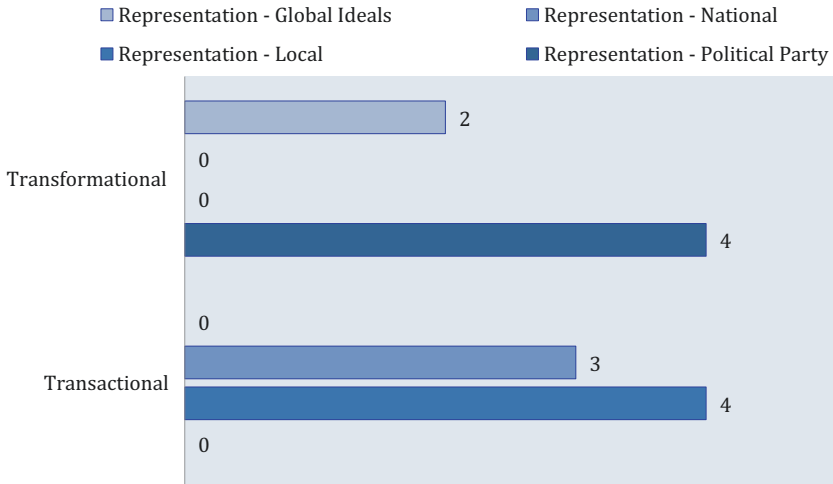


Fig. 4.4 Global fluency—behaviour and representation—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets (y axis = behaviour; x axis = number of local elected officials out of total 13)

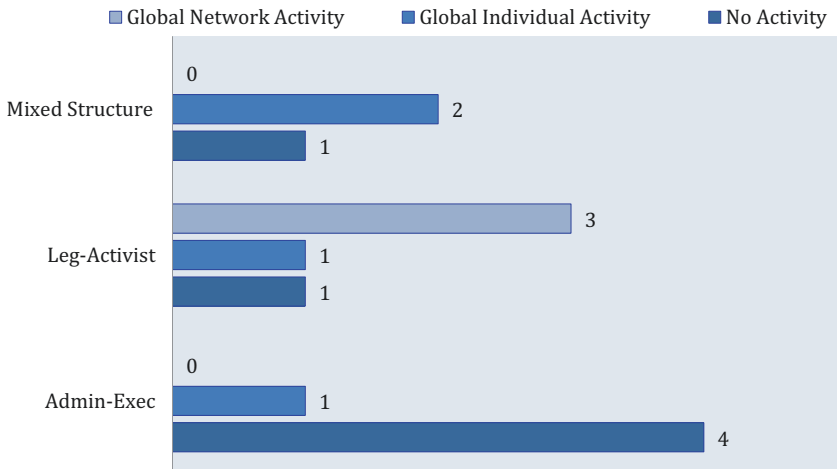


Fig. 4.5 Global fluency—policy structure and new activities—13 local councillors interviewed in Hackney, Barking & Dagenham, and Tower Hamlets (y axis = behaviour; x axis = number of local elected officials out of total 13)

expressed this through his desire to expand the borough's green technology industries as well as the possibility of leveraging the empty Sanofi medical laboratories into a medical-technology centre. Councillor Alasia's score was also based on a strong belief of a local culture of knowledge and innovation as well as her high level of activity in European Union committees that look at local and regional EU activity.

Structurally for policy, Barking & Dagenham scores only 0.3 putting it firmly in the administrative-executor faction. The borough's highest scores in policy were ratings of "one" for "Legacy of Global Orientation" for understanding its role as a bedroom housing community for the global city of London; "Specialisations within Global Reach" for attempting to establish a green technology industrial park; and finally within "International Connectivity" for marketing itself as within easy access of local airports with direct flights to the EU as well as its attempts at increasing rail stations and services to central London. However, the efforts are in their infancy and are not currently (2014) positioning the borough for active involvement in the global economy.

For the councillors interviewed in Barking & Dagenham, motivation was found to be along the lines of public service whilst representation was firmly local or national. The administrative-executor policy structure and transactional behaviour reinforce and support each other, but only to maintain the status quo.

The results of the councillors interviewed from Hackney are nearly a mirror image to those councillors from Barking & Dagenham. Four out of five of the local councillors rate above a "two", meaning they are globally fluent and transformational. Those receiving the highest scores are all "cabinet members", which means their actions also influence a high score for the borough within policy structure as they, along with the elected mayor, set the internal framework for activities. Councillors Nicholson and McShane both scored 2.7 for having a comprehensive view of where Hackney sits and how it can best participate in a global marketplace, a high level of global activity to position Hackney with a technology specialisation, an understanding of how to globally market, and how Hackney government is the enabler of these activities. They were only to be outdone by Councillor Demirci, scoring 2.8, who personally led several initiatives to form local partnerships and bring funds to Hackney through EU lobbying and bidding opportunities. Structurally, Hackney also scores high across the board as the mayor and cabinet members all facilitate and encourage global economic activities. Hackney's one low

score in structure was in International Connectivity as it has suffered from an ongoing lack of good transport links leading many local residents to feel that they are isolated from the centre of London. Within behaviour, the local official motivation was found to be both public servant and political, whilst representation was found to be both political party and global ideals.

The interviews in Tower Hamlets revealed a mixture of legislative-activist and administrative-executor policy structure and transactional and transformational behaviour. The three elected officials interviewed showed different motivation, representation and engagement in new activities. There were one transactional and two transformational councillors: one representing a national agenda and two representing a party agenda, two engaging in individual new activities and all three motivated as political servants. Concomitantly, the councillors were found to be engaging in some new economic activity but on a solely individual, not group, level. The councillors express that they felt they represented both the party and national agenda but are driven by political motivations (Tables 4.2, 4.3, and 4.4).

Table 4.2 Barking & Dagenham individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews

<i>Barking & Dagenham</i>	<i>Structure</i>	<i>Agency</i>				
<i>Ten traits of global fluency (Clark & Moonen, 2013)</i>	<i>Local authority</i>	<i>Cllr 1</i>	<i>Cllr 2</i>	<i>Cllr 3</i>	<i>Cllr 4</i>	<i>Cllr 5</i>
1. Leadership with a worldview	0	1	1	0	0	3
2. Legacy of global orientation	1	0	0	0	0	0
3. Specializations with global reach	1	0	0	0	0	0
4. Adaptability to global dynamics	0	0	0	0	0	0
5. Culture of knowledge and innovation	0	0	2	0	1	2
6. Opportunity and appeal to the world	0	0	1	0	1	1
7. International connectivity	1	0	2	0	0	0
8. Ability to secure investment for strategic priorities	0	0	0	0	0	0
9. Government as global enabler	0	0	1	0	1	1
10. Compelling global identity	0	0	0	0	0	0
Averages for structure and agency	0.3	0.1	0.7	0	0.3	0.7

Cllr 1 Saima Ashraf, *Cllr 2* Cameron Geddes, *Cllr 3* Graham Letchford, *Cllr 4* Kashif Haroon, *Cllr 5* Sanchia Alasia

Table 4.3 Hackney individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews

<i>Hackney</i>	<i>Structure</i>	<i>Agency</i>				
<i>Ten traits of global fluency (Clark & Moonen, 2013)</i>	<i>Local authority</i>	<i>Cllr 1</i>	<i>Cllr 2</i>	<i>Cllr 3</i>	<i>Cllr 4</i>	<i>Cllr 5</i>
1. Leadership with a worldview	3	3	3	1	1	3
2. Legacy of global orientation	3	3	3	2	2	3
3. Specializations with global reach	3	3	3	1	3	3
4. Adaptability to global dynamics	2	2	2	1	2	2
5. Culture of knowledge and innovation	2	2	3	1	2	3
6. Opportunity and appeal to the world	3	3	3	1	3	3
7. International connectivity	1	2	2	2	2	2
8. Ability to secure investment for strategic priorities	2	3	2	1	2	3
9. Government as global enabler	3	3	3	1	2	3
10. Compelling global identity	3	3	3	1	3	3
Averages for structure and agency	2.5	2.7	2.7	1.2	2.2	2.8

Cllr 1 Guy Nicholson, *Cllr 2* Jonathan McShane, *Cllr 3* Angus Mulready-Jones, *Cllr 4* Charles Kennedy, *Cllr 5* Feryal Demirci

Table 4.4 Tower Hamlets individual scores for structure (policy) and agency (behaviour) rated by the researcher from personal interviews

<i>Tower Hamlets</i>	<i>Structure</i>	<i>Agency</i>		
<i>Ten traits of global fluency (Clark & Moonen, 2013)</i>	<i>Local authority</i>	<i>Cllr 1</i>	<i>Cllr 2</i>	<i>Cllr 3</i>
1. Leadership with a worldview	1	1	0	3
2. Legacy of global orientation	3	2	1	2
3. Specializations with global reach	3	1	1	1
4. Adaptability to global dynamics	1	1	0	1
5. Culture of knowledge and innovation	1	3	1	2
6. Opportunity and appeal to the world	2	2	1	2
7. International connectivity	2	1	1	2
8. Ability to secure investment for strategic priorities	2	1	0	2
9. Government as global enabler	1	0	0	2
10. Compelling global identity	2	1	1	2
Averages for structure and agency	1.8	1.3	0.6	1.9

IMPLICATIONS FOR STATE SOVEREIGNTY

Benjamin Barber, in his speech at The Graduate Center City University of New York (2013), explained that local elected officials are already on the global stage; he said it is a reality, not a theory or proposal. They are currently acting in a capacity of “soft, informal, global governance”. Combined with the fact that polls regularly demonstrate people’s trust in city mayors and councillors but rarely in national elected officials, he concludes that the nation-state is in a serious lack-of-trust crisis.

Barber claims that the new issues, challenges and threats facing the world are borderless and interdependent. “Nation States can no longer vouchsafe the security and liberty of citizens. The nation state has been outrun by the new circumstances of a global interdependent world in which the nation can no longer solve problems and protect democracy as it once did” (Barber, 2013). This perspective portends significant implications for the nation-state.

As Cerny indicates, neither a weaker nor a stronger nation-state is revealed (1997, 2010b). It is a different nation-state, and one that is more complex. With each new activity, interaction or shift in institutional structure, additional layers are added to the system of interconnected web-like mesh of globalisation that encompasses both central and local governments. As local elected officials are influencing global policy and engaging in networks seeking to form mutual agreements on international issues, there will inevitably be implications and changes for the nation-state.

The research up until now has considered the “market approach” as defined by Woods (1998) in Chap. 2. However, in this section, the “state approach” is briefly considered as to whether the dyadic model of local participation in the global economy has any impact. Woods “state approach” involves reinforcement or constraint of a state sovereign system (1998).

The nation-state, since inception, has been an ever-evolving entity. As transportation and technology facilitate global transactions for multiple actors, and as global issues continue to have significant impact on local areas, more local areas, out of necessity, re-calibrate their activities to meet the need. Barber (2013) takes a narrower view, demonstrating a distinct split between local and central government. As a matter of perspective, they highlight that the current system of a central government is young whereas the international network of cities and city leaders has endured for centuries. Acuto and Khanna state that “from a ‘city’ viewpoint, nation-states have only been the (nearly) exclusive diplomatic actors for

less than two centuries” (2013). They discuss the fact that throughout history it has been cities that have ruled, and these cities have been the focus for the rise and fall of empires. In our globalised world, cities are once again rising up to take control of their own futures and they are doing so out of necessity and survival:

While the implications for economic growth have been widely discussed, urbanization’s impact on diplomacy and sovereignty will be equally profound. Medieval and Renaissance diplomacy was similarly dominated by city-states, particularly in Italy and northern Europe with the Hanseatic League, whose intense diplomatic competition and interactions helped to undermine the Holy Roman Empire, while fueling the commercial revolution and voyages of exploration across the Atlantic and to Asia. (Acuto & Khanna, 2013)

The implications of these changes addressed here show two significant systemic modifications: the increased permeability of the nation-state boundary and the willing abdication of responsibility in some global issues re-distributed to local government.

INCREASED PERMEABILITY OF THE NATION-STATE BARRIER

Access to the global stage is now open to multiple actors from an increasingly multilevel system of informal global governance. While there are rules governing the interaction between nation-states, there are few rules governing the actions of non-state actors. Even previously marginalised people are finding access. “NGOs and indigenous peoples, immigrants and refugees who become subjects of adjudication in human rights decisions, human rights and environmental activists, and many others are increasingly becoming actors in global politics” (Sassen, 2004, pp. 649–70). Hence, local elected officials have also taken to the global stage to plead their case at a higher court, having found themselves left behind by the nation-state on various fronts, particularly on the economic front. They are taking matters into their own hands because access to the global stage is open and they feel empowered to do so.

Duchacek (1990) claims that local activity on the global stage is more significant than the historical models of city-to-city trade or the tourism marketing: cities are setting up arrangements that intentionally circumvent the involvement of the nation-state to engage in paradiplomacy through

global networks, leading to what he refers to as “perforated sovereignties”. The actions of these actors, including local officials, create a self-sustaining global system. As more players take to the global stage, Cerny’s theory of transnational neopluralism (2010b) transubstantiates into an increasingly enmeshed, cross-cutting system. This, in turn, leaves actors no choice but to see the global stage as the place where these issues must be addressed.

Hegemonic national forces remain the central players. However, the once rigid barrier of nation-state activity is becoming more permeable with pluralistic influence. Most significantly, the establishment of the competition state with its zealous drive towards enterprise, innovation and profit has left many local areas floundering to recover from the loss of economic revenue and central government welfare support. “The loss of power at the national level produces the possibility of new forms of power and politics at the subnational level and at the supranational level” (Sassen, 2004, p. 651). Whilst the nation-state remains crucially relevant at the global level, it has nevertheless transformed and become enmeshed in the tentacles of globalisation. It is not becoming stronger or weaker; it is becoming a different nation-state. “What we are seeing is not the disappearance of the state but an actual transformation of the state, its absorption into transnational webs of politics and power, and the reconstruction of the notion of “statehood” itself along multilevel, multimodal lines” (Cerny, 2010b). Moreover, through transnational neopluralism, the nation-state has become part of a new construct of systems connoted by “nonterritorial-functional-boundaries” (Cerny, 2010b).

Within this new structure, the nation-state is realigning its primary functions to support a global competition market. It is becoming an outward-facing economic force and the subnational entities are the inward-facing economic or welfare force. However, both national and subnational entities now simultaneously engage in international efforts in areas of economy, security, climate change and other issues on the global level. Duchacek argues that “trans-sovereign activities of non-central governments obviously presuppose that the locally elected officials and their staffs possess a considerable degree of jurisdictional autonomy in domestic affairs, which they now tend to expand to include closely connected international issues in the areas of investment, trade and environment” (Duchacek, 1990, pp. 1–2). However, he goes on to further place these activities within the complex system, similar to what Cerny calls transnational neopluralism, in which it is harder to regulate or have oversight over the comings and goings of local government in the global stage. “So far,

no political system has developed new effective processes or institutions to handle the new subnational government initiatives or responses as they traverse the national boundaries, coming from both within and without” (Duchacek, 1990, pp. 2–3).

There are already those, such as Benjamin Barber, calling for a new system where the nation-state is not the only or primary driver. What is needed is “new political entities, new institutions to deal with an interdependent world currently being acted upon by MNCs, NGOs, IM institutions. And so we need new political actors—the city, the polis” (Barber, 2012). Regardless of these views, it appears likely that the local elected officials feel their local areas have a significant role to play and may be in a good position to address some of the most intractable issues the world is facing today. Councillor Nicholson sees this happening in Hackney: “As our communities become increasingly well connected, it is not surprising that local and global boundaries are fast disappearing. Hackney’s business links are not only to North America; Berlin and Barcelona are seeking to sign agreements this year to expand trade and productivity between our creative technology clusters” (Nicholson, 2013).

ABDICATION OF A PORTION OF THE STATE ROLE ON CERTAIN ISSUES

As mentioned above, some cities may be entering into agreements that differ from the nation-states’ foreign policy positions. Moreover, some cities may be in a position to utilise the “perforation” to advance issues that are priorities for the nation-state but which it is not in a position to advance itself. Complex laws, protocols, regulations, branches of government, and conflicting party politics can bind nation-states. In an effort to pass even simple legislation, the process can be long, and the end results can be “watered down” by a series of negotiations and concessions. With some issues, it may be preferable for local areas to advance the agenda rather than expending national resources on policies or legislation that will create little or no impact. “In this context, nation-states have become more deliberate about using cities’ potential to serve as their agents in certain spheres of international activity” (Freeman, 2013).

As there is strong evidence that local areas are seeking the global stage to aid the economic growth of their areas, they are also seeking the global stage to influence other significant issues. Climate change is no longer a theoretical debate as local areas are experiencing longer periods of draught

which are affecting their local food supply, or a rising (or diminishing) water line which is redefining their shorelines. Similarly, issues of security are being felt more keenly as city after city must deal with increased terrorist attacks, growing inter-cultural discourse through migration, and diversity of religious beliefs. While nation-states seek out international solutions or strategic approaches to affect the source of these activities, the local areas are left to deal with the day-to-day implications of these security issues.

The local perspective is that “today, as national governments focus on other policy objectives, cities have initiated their own efforts to deal with many of the non-traditional threats to which they feel their security is vulnerable” (Freeman, 2013). Similarly, Barber’s perspective is that cities are the entities which are best capable of addressing the most intractable global issues because they are practised and flexible in building a pragmatic infrastructure of solution-based, action-oriented initiatives (2012, 2013). Barber goes so far as to say that “sovereignty has become the obstacle to cooperation” (2012).

CONCLUSION

As a result of the impact of globalisation, the behaviour of local elected officials is changing, leading to more and more activity beyond local government and into the realm of governance activities on the global stage. Local leaders are no longer acting within the traditional confines of traditional policy and behaviour of local government. As transformational local leaders, some are adopting the role of local representative on the global stage to achieve their goals. In doing so, they are adding additional layers to an already complex global and local system with implications for state sovereignty.

This chapter has provided a dyadic framework to conceptualise these activities beyond the contextual issues of either behaviour or policy alone. This framework reveals different possible outcomes for coupling the agency of transactional or transformational leadership with the policy structures of administrative-executor or legislative-activist. The research argues that a combination of administrative-executor with transactional leadership does not lead to significant opportunities for local economic growth. Instead, it seeks to restore lost or past forms of economic foundations or, at a minimum, uses a system of local government to maintain the status quo. Conversely, the research shows a form of local governance,

employing a legislative-activist policy structure and coupled with transformational leadership, provides the best potential opportunity for economic growth. Moreover, it shows that city and metropolitan level growth is achieved through a level of global fluency where local elected officials operate at a global level independent of, but with implications for, the nation-state.

Finally, the chapter presented postulations as to the implications of these various activities. The research presents positive indicators that the dyadic arrangement of transformational leadership and legislative-activist structure appears likely to connect a local economy to opportunities in the global economy, which also shows positive indicators of local economic vitality. Further, within agency, it appears that a politically motivated agenda advances local globalisation more than a purely public servant agenda. Similarly, the concept of representation of both a political party and global ideals connects the local to the global with greater frequency than a local or national representation focus. Where additional variables significantly impact the local government the structure and agency become mixed and do not lead to any significant advancements for the vitality of the local borough.

All of these activities and implications are occurring simultaneously in a rapidly growing and moving system. There are many other actions, activities and variables in play; this chapter has attempted to provide a framework to conceptualise two actions: the interaction of policy and behaviour and the rise of the global, local leaders.

Local activity on the global level presents possible indicators for state sovereignty that are twofold: increased permeability of the nation-state barrier and an abdication of the nation-state role on some issues. The chapter proposes that the nation-state is not less nor more than it was, but that it is a different nation-state. As such, there is increased traffic outside of nation-state representation, both in and out of geographic and intangible borders. While perhaps not irrelevant or obsolete, the nation-state role at the global level has transformed and has itself become enmeshed in the tentacles of globalisation. Cerny states: "What we are seeing is not the disappearance of the state but an actual transformation of the state, its absorption into transnational webs of politics and power, and the reconstruction of the notion of 'statehood' itself along multilevel, multi-modal lines" (Cerny, 2010b). He proposes that the nation-state, through transnational neopluralism, has become part of a new construct of systems connoted by "nonterritorial-functional-boundaries".

Alongside this increased permeability is the nation-state's abdication of its role in some issue areas. This abdication is not necessarily involuntary but more a reorganisation of responsibilities across issue areas such as security and climate change where the local area may be able to provide more information and insight, together with more progress, in tackling these issues within their international network of local areas.

REFERENCES

- Acuto, M., & Khanna, P. (2013). 'Nations are no longer driving globalization' cities are [online]. *Quartz*. Retrieved February 1, 2014, from <http://qz.com/80657/the-return-of-the-city-state/>
- Barber, B. (2012, Winter). Can cities save us? *RSA Journal*, 2012, 20.
- Barber, B. (2013). *If mayors ruled the world*. New Haven, CT: Yale University Press.
- Beauregard, R. (1995). Theorizing the global-local connection. In P. Knox & P. Taylor (Eds.), *World cities in a world system* (1st ed., pp. 232–248). Cambridge, UK: Cambridge University Press.
- Cerny, P. (1990). *The changing architecture of politics*. London: Sage.
- Cerny, P. (1997). Paradoxes of the competition state: The dynamics of political globalization. *Government and Opposition*, 32(2), 251–274.
- Cerny, P. (2010a). The competition state today: From raison d'Etat to raison du Monde. *Policy Studies*, 31(1), 5–21.
- Cerny, P. (2010b). *Rethinking world politics*. New York: Oxford University Press.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Duchacek, I. (1990). Perforated sovereignties: Towards a typology of new actors in international relations. [S.l.]: [s.n.].
- Freeman, C. (2013). Saisphere: The power of cities: Mayors on the world stage [online]. Media.sais-jhu.edu. Retrieved February 1, 2014, from <http://media.sais-jhu.edu/saisphere/article/power-cities-mayors-world-stage>
- Friedmann, J., & Wolff, G. (1982). *Future of the world city*.
- Gains, F., Greasley, S., John, P., & Stoker, G. (2009). The impact of political leadership on organizational performance: Evidence from English urban government. *Local Government Studies*, 35(1), 75–94.
- Nicholson, G. (2013). South by North-East? Business trips abroad can build global links [online]. *The Guardian*. Retrieved January 31, 2014, from <http://www.theguardian.com/local-government-network/2013/mar/26/hackney-council-sxsw-local-government-trips>
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.

- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.
- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2004). Local actors in global politics. *Current Sociology*, 52(4), 649–670.
- Woods, N. (1998). Editorial introduction. Globalization: Definitions, debates and implications. *Oxford Development Studies*, 26(1), 5–13. Taylor & Francis.

Case Studies: Barking & Dagenham, Hackney and Tower Hamlets

The concept of globalisation and its impact at the local level has the risk of becoming a purely theoretical debate that does not consider the practical implications. This chapter explores the changes, or lack thereof, of behaviour and policy in three local boroughs in London. Through the lens of the local authorities of Barking & Dagenham, Hackney and Tower Hamlets, the research seeks to reveal what globalisation looks like in daily local government and examines how local elected officials choose to engage in solving local issues.

The three local authorities are all in close proximity to central London, yet they are each distinct from one another. They are “East End” authorities, a non-defined geographic area, east of the central Roman wall in London, all of which saw the potential of economic and infrastructure investment from the London 2012 Olympic Games. Each local authority has a very different political structure. At the time of research Barking & Dagenham had the traditional structure of a leader of the council, Councillor Darren Rodwell, a member of the Labour Party, and a ceremonial mayor. Hackney had a directly elected mayor, Jules Pipe, a Labour Party member, who is also very active in London-wide politics and policy, serving as the chair of London Councils, a pan-London, cross-party organisation. Tower Hamlets had an elected mayor, Lutfur Rahman, who transitioned from being an Independent candidate into founding and running a slate of candidates under the new political party, Tower Hamlets First, which benefited from the support of the local Bangladeshi community.

In analysing the changes over time of the three boroughs, the research addresses the following critical questions:

1. How has each borough managed the transition from their past manufacturing and industrial bases to engagement and growth in new areas of the modern global economy?
2. How are the boroughs considering their current economic situation and developing their future growth plans in relation to a broader global economic context?
3. What do their future economic development plans indicate about their level of global fluency and potential growth through engaging in a global economy?

The answers to these critical questions provide fundamental pieces of the puzzle to the overarching question of the impact of globalisation on local government and elected officials by showing the practical implications of changes in policy and behaviour.

APPROACH

This chapter analyses three of London's local authorities: Barking & Dagenham, Hackney and Tower Hamlets to explore the various types and levels of impact on local behaviour and policy structure predicated by an increasingly interconnected global economy. Each local authority is analysed separately by assessing its past, present and future economic activities. The past economic development is briefly reviewed through historical documents and records. The present looks in depth at each borough's Local Economic Assessment together with information gathered through interviews with local councillors. The future section examines each of the borough's 15-year plan for economic development embodied in their Local Development Framework. In the comparative section, *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013) is used to equate the boroughs to each other and conclusions are drawn about the impact of their policies and behaviours in light of a global economy.

The Local Economic Assessment is a statutory duty, first enacted by central government (Department for Communities and Local Government) in 2009 and by the Mayor of London (Greater London Authority) in 2010. It is undertaken by each borough to create the most comprehensive picture available of the economic status quo. The individual Local

Economic Assessments then inform broader local and national economic development planning. They are shared documents to allow neighbouring boroughs to collectively plan for an area, and avoid duplication or conflicting policies. The Department for Communities and Local Government (2009) requires that each local assessment follows a similar objectives structure as well as components. These include:

- Business and Enterprise:
 - Structure of local economy
 - Overall competitiveness of the area
 - Enterprise and innovation
 - Business needs
- People and Communities:
 - Labour market
 - Skills
 - Economic inclusion
- Sustainable Economic Growth:
 - Environmental sustainability
 - Housing and infrastructure

The Local Economic Assessments are also to be used to inform the planning of Local Development Frameworks, the demand for which was passed by central government in 2004 in the form of the Planning and Compulsory Purchase Act. Central government provided general guidance in the development of Local Development Frameworks which function as a suite of documents including a core local strategy, action plans, vision, objectives and goals for not boroughs. The Mayor of London has taken (2008) the Local Development Framework planning process further by requiring that all 32 London boroughs follow a similar structure to their plans and address specific requirements which include:

- Housing
- Employment
- Transportation
- Historical Conservation
- Recreation and Leisure
- Green Space

- Local Businesses
- Environmental
- Sustainability

Similar to Local Economic Assessments, the Local Development Frameworks provide a point of comparison across the economic development agendas of boroughs. Specifically, they:

1. Provide consistency across the boroughs in assembling their economic development plans as they are bound by the outline of the mayor of London's Development Framework in producing them
2. Deliver a future planning document of 15 years looking to 2025
3. Are independently assessed to ensure they meet the Local Development Framework requirements, are evidence based and have a reasonable chance of being achieved

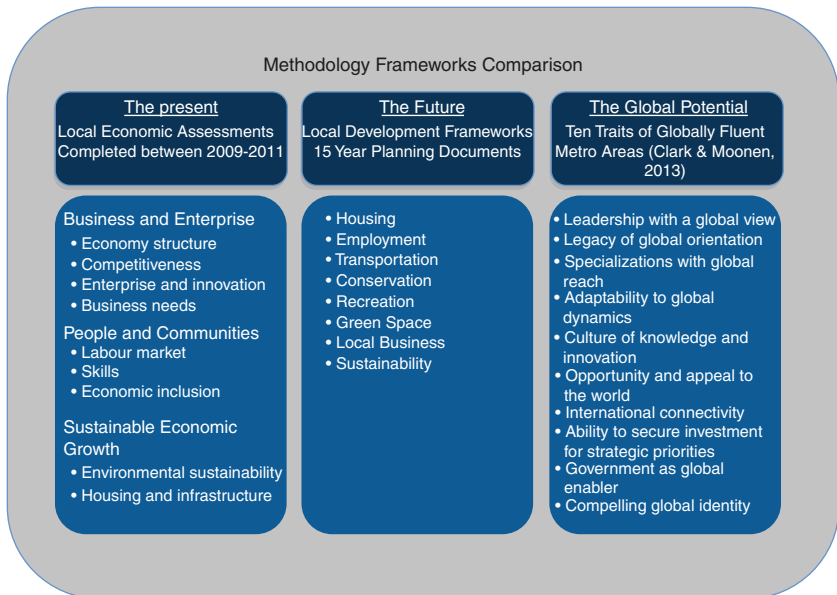


Fig. 5.1 A side-by-side comparison of the frameworks: Local economic assessment, Local development strategy, and *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013)

Comparing the document data along with the qualitative interviews across *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013) provides an interesting lens through which to view the local elected officials' behaviours and the local policies of each of the three local boroughs and how they engage, or do not engage, with the global economy (Fig. 5.1).

CHANGES IN STRUCTURE AND AGENCY IN BARKING & DAGENHAM, HACKNEY AND TOWER HAMLETS

Barking & Dagenham—The Past

For the first half of the twentieth century, Dagenham was known as an industrial powerhouse for the motor industry and was referred to by historians and the press as England's "Detroit", reminiscent of Detroit, the USA, and the birth of the industrialisation of car manufacturing. Barking & Dagenham benefitted from a large manual labour workforce, close proximity to London and to the River Thames. Established in 1911, the Ford plant in Dagenham employed 48,000 workers as its height in the 1950s; however, since then, it has faced a steady postindustrial decline. It currently employs approximately 2800 workers. Ford recently announced 300 new jobs for the Dagenham plant where it will be building low-carbon-emission engines (Davidson, 2014).

The recent history of Barking & Dagenham has been described as bleak. "It's London's forgotten borough, an empty flatland of council housing, arterial roads and industrial decline, famous for only two things: a slowly dying car manufacturing plant, and a 4 year period in which the British National party (BNP) was second largest party on the council" (Elledge, 2013). In its 2004 Economic Development Strategy Document, Lead Member for Regeneration, Sidney Kallar, laid out the borough's economic development strategy as one which hoped to capitalise on the Mayor of London's plan to focus on "creative and cultural industries and information and communication technologies as new drivers of growth" (London Borough of Barking & Dagenham, 2004, p. 8). Since the postwar period, Barking & Dagenham has also had its hopes rise and fall on a series of regeneration initiatives focused on the Thames Gateway, when it was identified as a major area for growth. Since that time, organisations and efforts have come and gone in the form of the Greater London Development Plan (1980) and the East Thames Corridor

Study of Development Capacity (1993). Currently, regeneration depends on the London Legacy Development Corporation, which supplanted the Olympic Park Legacy Company (2012) which, in its turn, replaced the London Thames Gateway Development Corporation (2004–2013). The Olympic Park Legacy Company outlines its economic goals in its 10-year plan (up to 2022) as a complete “East End” economic, social and cultural transformation. However, the plans, as laid out, do not include Barking & Dagenham. The goals and strategies for Barking & Dagenham in attempting to capitalise on various London-wide strategies have been difficult. The path has been constantly changing, disappointing, complex and politically fraught.

As the car factory plants closed, so too did most manufacturing jobs in the borough: by 2011, they had dropped to 4.6% of the workforce, compared with 30% in 1981. Concomitantly, new economy jobs such as banking and finance rose from 12% in 1981 to 18% in 2011. Along with the loss in manufacturing jobs, the population numbers went into steady decline after the 1950s until the early twenty-first century (GLA Intelligence, 2014).

Politically, Barking & Dagenham has been a Labour Party stronghold since 1964; however, it has also long been a target for the British National Party (BNP) and the UK Independence Party (UKIP), both of which have strong anti-immigrant agendas as their public platforms which many implicitly interpret as racist and isolationist. As Barking & Dagenham has faced difficult economic times and a large influx of African immigrants, these two political parties have been capitalising on the fears of an aging white middle-class population of losing what few jobs remain to new immigrants. At times, the political unrest has manifested itself as clashes in the streets. In recent national elections (2010), the BNP was soundly defeated, yet the economic and political unrest in the borough lives on, seemingly replaced by UKIP candidates who ran for national positions in the last election (2014).

The people of Barking and Dagenham have resoundingly rejected the fascism of the BNP. Now the Labour Party needs to begin to address the genuine concerns of the local population, white and black, about jobs, housing, education and health care. It was these issues—and the pressure put on them by incomers looking for the cheapest housing in London—that allowed the BNP to gain a foothold in the borough. (Bragg, 2010)

Barking & Dagenham—The Present

Barking & Dagenham pinned hopes of new borough investment on Olympic development funding and initiatives. It based many of its development plans and goals on the premise that there would be significant pre-, during and post-Olympic funds flowing into the borough. Unfortunately, this did not occur and has left Barking & Dagenham with future goals and objectives that do not align with its current economic situation.

The borough's Local Economic Assessment (2011) provides an overview of its current situation under 11 primary headings. Below, to align with the Local Economic Assessment Framework guides provided by government, they are categorised under three main headings: Business and Enterprise, People and Communities, and Environment and Sustainable Growth.

Three of the plan's 11 points fall under Business and Enterprise: firstly, it states that the borough has three town centres which face competition from neighbouring Westfield (Shopping) Mall in Stratford; secondly, it highlights that the public sector is the largest employer and that there are 4000 small or medium-size enterprises; and, thirdly, it lists that, while it is investing in new business centres, it also has the lowest number of entrepreneurs in any London borough.

The majority of the priorities are focused on current status of People and Communities. The report explains that while the borough has a population of 179,900 (at the time of the assessment in 2011), a high number are employed in part-time and low-wage jobs. This may be because the adult population of the borough has low educational qualifications according to demographics compared to other boroughs, according to GLA Intelligence (2015). Associated issues involve high unemployment, a high number of people on state benefits, a high teen pregnancy rate and a high number of early school leavers. Finally, this section points out that the population of Barking & Dagenham is on the rise, which includes an increase in immigrant residents, which results in a greater need for social services.

High immigrant demographics can also create more confusion among migrants and feed a cycle of misunderstanding among existing residents, especially where local government is experiencing its own changes. According to Blake, Diamond, Foot, Gidley, Mayo, Shukra and Yarnit:

Meanwhile, the research also identified challenges arising from changes in the structures of governance themselves. Where structures had clear,

coherent and consistent frameworks, community engagement tended to be experienced more positively. And conversely, where structures were subject to restructuring and change, there was evidence of disengagement, feelings that were compounded when service provision was fragmented as a result of subcontracting. Fluid structures posed additional problems for newer groups, who found this particularly confusing. (Blake et al., 2008, p. ix)

The third area of the local assessment covers issues of Sustainable Economic Growth. Firstly, it takes note of the large amount of industrial land, much of it situated along the river and the possibility of transforming it into an emerging enterprise area for green businesses. Barking & Dagenham has identified green enterprise as a significant area for future growth and details action plans in its Local Development Framework Core Strategy document. This transformation began with the establishment in 2011 of the London Sustainable Industries Park which houses four small businesses. Next the report addresses transportation, pointing out that it has good public transport links from North to South but a gap from East to West. And lastly, it takes inventory of its 72,000 existing houses housing stock, of which one-third is owned by the council (Fig. 5.2).

It is under these present circumstances that five local councillors were interviewed. There were three general findings when theming the interviews:

1. Local councillors are in emergency triage mode for city services—not able to adequately meet the needs of all residents and so prioritising those who are in most dire and immediate need
2. There is no plan to foster or develop a specific economic sector, except to build housing
3. Where there is interest or understanding of a global marketplace, it is stifled by the status quo situation and structure

Barking & Dagenham Councillor Sanchia Alasia is interested in representing the borough as one of the area's Members of European Parliament. She was unsuccessful at the last election but continues to write and blog on European issues. However, her day-to-day work remains dealing with basic needs and triaging constituent emergencies. While she has an interest in Europe, she rarely has the opportunity to apply any of her learning to accelerate growth at the local level. She has a world view and leans towards being a transformational local elected official, as assessed in this research,



Fig. 5.2 London Borough of Barking & Dagenham local economic assessment overview (2011)

but she is bound by an administrative-executor structure (S. Alasia, Alasia Interview. Conducted by Amy Hochadel, personal communication, 2014). Working as a councillor in the borough, she sits on several development committees and chairs the Development Control Board. She also sits on the Health and Adult Services Committee. She works to influence regeneration and diversity issues and hopes to direct funds to the borough, saying that her goal is to “be a voice for the community, especially those who are marginalised” (S. Alasia, Alasia Interview. Conducted by Amy Hochadel, personal communication, 2014). However, she sees this as separate, and not by choice but by necessity, from her interest in EU matters which focuses on the rise of the far right in the EU and broader issues of globalisation. The economic circumstances of the borough do not provide her with a point of access to bring the learning home and to implement it; however, her role as councillor does provide her with a level of legitimacy and an opportunity to be active at the EU level. She has hopes of connecting the local borough to the global stage and (during the course of this research through 2014) continues to seek an appointment to

the Committee of the Regions with the EU addressing local issues at the EU level, while also remaining active in the Party of European Socialists. Councillor Alasia is classified within this research as a globally aware trans-actional councillor with no option but to work within the administrative-executor structure in the borough of Barking & Dagenham.

Councillor Graham Letchford describes himself as the last port of call for many of Barking & Dagenham's most desperate residents. He looks after the elderly in his Goresbrook ward, connects people to services and works to support local businesses by giving his patronage when he can. Graham was once in the same situation as many of those hit hardest in Barking & Dagenham and so approaches his work as a local councillor with energy and compassion (G. Letchford, Letchford Interview, Conducted by Amy Hochadel, personal communication, 2013). He feels that many people in Barking & Dagenham would be far worse off without his service. However, the resources Mr. Letchford has to work with are continuing to dwindle. Primary government services are being cut and voluntary services are struggling to keep open. And the situation is poised to get more difficult. In its 2014–2015 budget, the borough announced it would face overall cuts of approximately 12% per year for each of the next 3 years (Bunt, 2014, p. 1).

Members of the community are requiring more and complex types of help, as they continue to suffer the effects of the Welfare Reform changes and the introduction of the Benefits Cap last year. In addition, Barking & Dagenham has one of the fastest growing populations, partly as a consequence of government policy encouraging movement of families to cheaper accommodation to reduce the national cost of housing benefit. (Bunt, 2014, p. 1)

Councillor Letchford thinks the local government should focus on the borough and central government should focus on diplomacy and foreign economic efforts. His hope is that the Ford plant will create more jobs and help employ a few more local people. He recognises that many of the white, English population that grew up in Barking & Dagenham in the 1980s and 1990s are financially worse off than their parents were. He attributes this to a younger generation that aspire to have a good manufacturing job, as their parents did; jobs for which the parents didn't generally require an advanced educational degree. However, the manufacturing jobs have been severely decreased or eliminated, leaving few no job

opportunities for residents with no educational degree. This has left the aging white population with low educational attainment and a witness to increased migration from Africa into the region.

Letchford is not interested in, nor does he follow, international issues or economic situations beyond the UK. He accomplishes what he can for those in need within the resources available. At the time of the interview (2013) he was a member of the Labour Party; however, he since defected to UKIP (2014) and subsequently lost his seat. In this research he is classified as a transactional councillor attempting to address the most basic needs of the local constituency by working within the administrative-executor system, regardless of the ever-decreasing resources.

Councillor Kashif Haroon, similar to Councillor Alasia, is also interested in world affairs; however, he became a councillor to address local needs as a result of threats from BNP candidates in the borough. He wanted to address safer streets, schooling and housing. He is a member of the Safer Stronger Community committee and, as an immigrant to the UK, says he wants to make a difference in Barking & Dagenham because he chose this community, this city and this country to live. He says that issues such as climate change and terrorism are important at the national level but, at the local level, people just want to know if they will have a job and can support their family. He thinks the UK should stop spending so much money on development abroad and focus inward on local communities (K. Haroon, Haroon Interview, Conducted by Amy Hochadel, personal communication, 2014). His focus is to attempt to deliver basic services in light of the fact that there are £53 million of local services being cut between 2014 and 2017. He touts the political line that the economic way forward for Barking & Dagenham rests in building more houses and making sure there are good rail connections, as most of the new residents will tend to work outside the borough.

Councillor Haroon has an understanding of global issues but is not actively seeking to engage at the global level; his work is focused on using the local administrative-executor system to provide basic city services through transactional activity.

When asked about future economic development plans, all the councillors interviewed highlighted housing and Barking & Dagenham's plans to build 17,000 new homes in the next 10 years (by 2025). Each said they have no plans to hone in on a specific market or economic sector and would welcome any business to come to the area. While providing a welcoming message that Barking & Dagenham can be a place for all

businesses, a general lack of economic specialisation may make it difficult to attract global businesses. According to Hutton (2008) “London’s growth, economic specialisation, global projection, and transnational urbanism are the cardinal factors in the ascendancy of the south and east of England since the early 1990’s” (p. 80).

Councillor Cameron Geddes is Barking & Dagenham’s Cabinet Member for Regeneration. He connects a local priority for improving education to a desire for establishing better local jobs and increasing homeownership. Similar to Letchford, he discusses the industrial roots of Barking & Dagenham leading to the current low levels of educational attainment in the borough.

You didn’t need to be a brain surgeon to go and work in Ford Motor company or in the factory, we had more industry in Barking & Dagenham than any other London Council, and that again affects people’s job aspirations because their parents got a poor education in Barking and Dagenham but were still quite often able to get a relatively good job, and then if they had cheap housing from the council they were more or less sorted and their aspiration were very rarely more than that. (C. Geddes, Geddes Interview, Conducted by Amy Hochadel, personal communication, 2012)

Councillor Geddes also admits that Barking & Dagenham has no specific programmes for support for entrepreneurs and, in particular, have not given much thought to supporting ethnic entrepreneurs. He feels that diversity is an important issue for the borough to work on, but it is viewed as a social issue, not as one with links to international business growth. Whilst exhibiting a measure of global awareness, Geddes is assessed as a transactional local elected official in the administrative-executor structure.

Councillors Geddes and Saima Ashraf both exhibit an interest in global issues. For Councillor Ashraf it is her status as an immigrant Muslim woman that drives her to work to provide services to the immigrant population. For Councillor Geddes, there is a strong drive to want to leverage local assets towards a broader economic base, but there is a complete lack of resources to do so.

Significantly, Barking & Dagenham has far fewer small and medium businesses than Hackney or Tower Hamlets, thus an equally likely low number of global ethnic entrepreneurs. In 2014, only 4340 enterprises were “born” and their five-year life expectancy of only 35% meaning only 1519 will survive (GLA Intelligence, 2014). What they are reinforcing is

a system in which no meaningful movement is being created towards economic revitalisation or engagement in a global economy.

For all five councillors interviewed in Barking & Dagenham, there is a commitment and empathy for the borough and its residents alongside a strong will to improve people's lives. However, this was also coupled with uncertainty as to how and when improvements would be seen and felt by the residents in Barking & Dagenham.

Barking & Dagenham—The Future

The hope is that with a clear perspective of where Barking & Dagenham have emerged from in an industrial and manufacturing past, alongside a detailed understanding of their current economic situation, including strengths, weaknesses and opportunities, they will be able to plan for a future that mitigates their weaknesses and builds on their strengths while taking advantage of the opportunities. This is what is embodied in and informs the 15-year Local Development Framework Core Strategy.

Barking & Dagenham's Core Strategy document within the Local Development Framework is based on five themes under which it plans to work on its future development planning (2010b, pp. 18–63): Managing Growth, Sustainable Resources and Environment, Creating a Sense of Community, Ensuring a Vibrant Economy and Town Centres, and Creating a Sense of Place.

In looking across the Local Economic Assessment (London Borough of Barking & Dagenham, 2011) in relation to the borough's future development plans as outlined in the Local Development Framework, it should be possible to see, in addition to new areas of development, direct causal links between the Economic Assessment's current state of affairs and the subsequent plans for addressing or developing those issues embodied in the Development Framework. However, it is sometimes difficult to draw direct links across the two documents. Under "Business and Enterprise" the assessment points to retail centres with competition from Westfield Mall in Stratford, a large amount of public sector employment and an investment in new business space while pointing out a lack of entrepreneurial residents. In looking across the two documents, it is difficult to determine how each individual issue in the Local Economic Assessment will be addressed in the Local Development Framework. The Development Framework outlines a desire to invigorate a night-time economy, for local

developers to train and employ local people, a focus on green technology and creating new business spaces.

Similarly, under “Sustainable Economic Growth”, the Economic Assessment points to a large amount of industrial land, transport needs and existing housing stock. Correspondingly in the Development Framework, these should be addressed under the headings “Creating a Vibrant Economy” and “Town Centres and Managing Growth”. However, in reviewing the documents, the assessment of the current situation and the plans for future development are disparate in their findings and recommendations. For example, the development plan details a desire to build new business spaces but does not discuss for what types of businesses or how they may develop more local entrepreneurs as is outlined as a prerequisite in the assessment.

Further, for each of these themes and the initiatives under them, the Core Strategy provides a monitoring matrix to measure the outcomes. However, the associated outcome is not clearly defined. For example, the arts and tourism section lists three indicators (London Borough of Barking & Dagenham, 2010a, p. 91):

- the number of hotel bed spaces available;
- loss of viable cultural uses to noncultural uses (no net loss); and
- adult participation in sport (top quartile of national performance).

The framework does not associate these indicators with specific desired outcomes or show a link towards economic development opportunities. For example, is the goal to have 500 available hotel beds or 5000, and how does an additional 500 hotel beds lead to greater economic growth? It also fails to indicate how it plans to make more hotel beds available and why this measure has been shown to specifically lead to its goal of encouraging the arts which, in turn, leads to a vibrant economic future for the borough. The exception in the strategy is the monitoring matrix detail under housing, in which it lists an outcome for each year and the indicator for measuring that outcome which leads to the desired goal of 17,000 new houses. Nonetheless, there is no associated evidence that increased housing will lead to an economically more stable borough.

There are no plans in the Core Strategy which help connect the existing struggling economy to additional growth from outside the borough. For example, there is no detail for how the borough will capitalise on emerging global businesses in green technology and entice them to the London Sustainable Industries Park (Fig. 5.3).



Fig. 5.3 London Borough of Barking & Dagenham Local Development Framework, Core Strategy overview (2010a, 2010b)

When asked about the top economic development projects in Barking & Dagenham, Councillor Cameron Geddes, the Cabinet Member for Regeneration, catalogues building housing in and around Barking town centre and along the riverside; supporting those new housing projects with increased local businesses and leisure facilities; renovating Bean Park, a previous Ford Factory location, into a new leisure centre; and renovation of the former May and Baker Chemical Company, now owned by Sanofi-Aventis Medical Company, into a new medical laboratory facility (C. Geddes, Geddes Interview, Conducted by Amy Hochadel, personal communication, 2012). It is worth noting that although Councillor Geddes does not talk about green technology industries being among his priorities for regeneration, he mentions medical technology, which is an emerging industry of the global economy field. Nevertheless, this is not part of the Core Strategy listed in the Local Development Framework 15-year plan.

A review of Barking & Dagenham's Local Economic Assessment, which provides a snapshot of the economic landscape in 2011, and then overlaying the plans with its Local Development Framework, the future of Barking & Dagenham and its potential for creating a vibrant and sustainable economy and borough seems unclear. With a few small exceptions (e.g., the potential Sanofi Medical Facility and the interest in green technology), the plans and the structure of the local government are based on working within the given status quo, the existing resources and a heavy reliance on building new housing. There are no plans to connect Barking & Dagenham to a wider global market other than to act as a bedroom community for the City of London. It should be noted that Barking & Dagenham completed its Local Development Core Strategy before its Local Economic Assessment: this puts the cart before the horse in terms of planning based on a clear understanding of the landscape and existing assets, challenges and opportunities.

Barking & Dagenham has engaged in a very transactional activity in developing its Local Economic Assessment as well as its Local Development Framework but seems to be lacking in the more transformational activity of implementation. This comparison leads to the assessment that Barking & Dagenham is poised to continue along a path of operating in an administrative-executor capacity moving into the future.

Hackney—The Past

Out of agricultural Roman times and into the twentieth century, Hackney has emerged as a manufacturing base built around paint, timber and rail industries. It was heralded in the early nineteenth century as a furniture and woodworking stronghold using the river as a means to move timber.

Hackney tells a similar story to Barking & Dagenham, although along different industrial lines (woodworking and paint production versus car manufacturing). From 1981 to 2011 the manufacturing base dropped from 22% to 2% while new economic sector jobs rose from 10% to 27%. "In the 1980s Hackney's economy shifted from manufacturing and related industry, towards services, in particular creative, arts, media, banking and finance" (Hackney LDF, 2010b, p. 76). It has also seen a population explosion from 162,772 in 1991 to 256,600 in 2013. One of the most poignant economic moments for Hackney in recent history occurred in the 1930s and 1940s when much of its large bank of worker housing was declared unfit and was condemned or destroyed, leaving many out on the

streets. Moving into the 1960s and 1970s, the borough did not recover and instead collapsed into several decades of abandoned workhouses, factories and industrial space. In the late 1990s, most local government functions had been severely mismanaged, and the borough was insolvent; it shut down many city services and halted any spending. Hackney would not emerge from emergency management until well into the twenty-first century. To emerge from bankruptcy, Hackney had to completely re-think its form of management. It opened the doors of its abandoned spaces to those who would undertake any type of renovation and residency. Many of the buildings were redeveloped into artists' lofts and new small enterprise working spaces. Building on this momentum, Hackney undertook a full-scale regeneration plan to expand and augment these innovative regeneration undertakings.

As a result of the massive regeneration from workers' flats steeped in poverty into artist warehouses and upper-middle-class "loft" conversions, Hackney is left with an ongoing struggle of gentrification. The influx of entrepreneurs has led to a cross-cultural mix which helps to regenerate neighbourhoods but also to price out some of the original residents from the housing market.

Amidst this boom of artistic and entrepreneurial regeneration, Hackney faced another crisis. In 2000, the borough's financial director passed a "Capital Order 114" which banned any further spending by the borough as it was unable to meet its financial commitment through to the end of the financial year. The result was a devastating mix of an operational lack of basic services and residents left unsure as to whether schools, surgeries and other facilities would remain open.

Hackney—The Present

Residents of Hackney talk about its dynamism and diversity as assets while still throwing in a dose of reality about its current status and issues of the cost of housing. Many residents of Hackney are also very passionate when talking about the borough and its future. The Local Economic Assessment backs up this narrative. It points to some critical and difficult issues, but it also shows positive improvement across a spectrum of measurements for local economic health and vibrancy.

Hackney has one of London's few elected mayors and as such Mayor Jules Pipe is frequently interviewed in print and television press, and is a national and international speaker on local government and new

innovations. He co-chairs London Councils, a pan-London borough think-tank, and was re-elected to a fourth term as mayor by a large margin. He also leads on the Labour Party's Taskforce for Innovation in Local Government which focuses on devolution of power to local authorities. Mayor Pipe oversaw Hackney's emergence from bankruptcy and into a more fiscally accountable and transparent borough. Through his role on the Innovation in Local Government Taskforce, Pipe champions the need for transformational leadership to revive local areas.

The Taskforce has found evidence of the opportunities for, and barriers to, innovation. Local innovations are demonstrating the greater impact that approaches more relevant to the particular needs and circumstances of places can have, across a range of service areas addressing employment, skills, health and care, support for children and families and more. There is evidence that they are more effective in producing better outcomes, demonstrating better value for public money invested, and can be more sustainable in the longer term leading to less demand in the future. (Leese, Pipe, & Taylor, 2014, p. 2)

Hackney's Local Economic Assessment is organised around a series of critical questions. This differing approach from Barking & Dagenham has several implications in drawing out the causality of the present circumstances in addition to providing answers to the questions which directly inform the Local Development Framework (Fig. 5.4).

In assessing their "Business and Enterprise" profile, the Local Economic Assessment asks the two following questions: "What is the business profile for Hackney and implications for land use?" and "What is Hackney's share of London's growth industries?" (London Borough of Hackney, 2011). Hackney has close to 10,000 firms with twice the growth rate of London and a higher success rate in survivability for small business start-ups. In relation to growth industries connected to London, the report details a 48% specialisation in science, technology and telecommunications which equates to 8% more than elsewhere in London. Most significantly, the area has seen a 52% rise in information technology (IT) industries and has established a specific area for start-ups known as "Tech City". Hackney has also benefitted from increased tourism; however, it has not seen an increase in arts and leisure firms (London Borough of Hackney, 2010c).

Their outreach to a global marketplace may be linked to an increase in local entrepreneurial businesses, increased educational attainment, global recognition and interest in the borough and an investment from collaborative partnerships. In 2014, 12,770 new small and medium

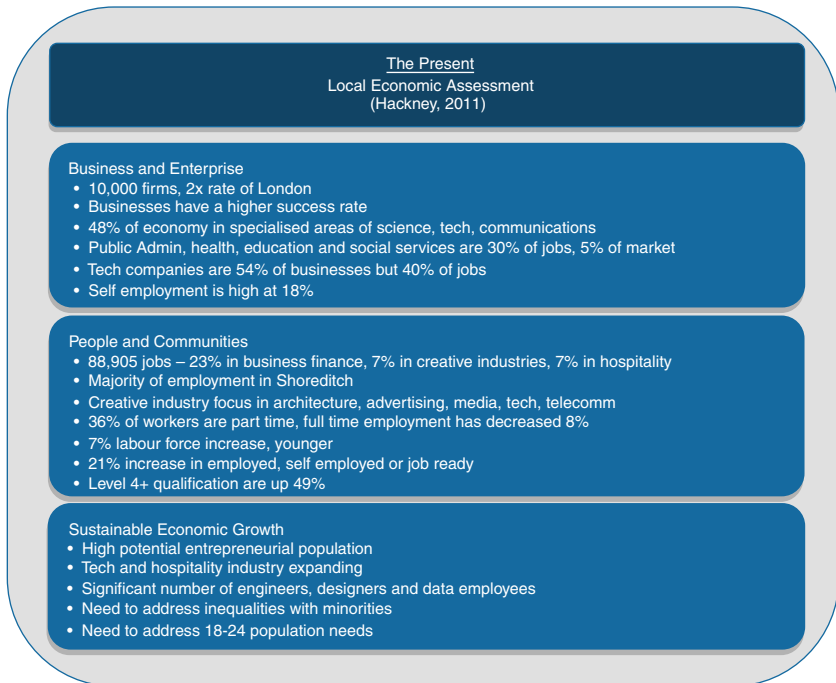


Fig. 5.4 London Borough of Hackney local economic assessment overview (2011)

businesses were launched in Hackney. With a 5-year survival rate of 37%, 4725 will still remain (GLA Intelligence, 2014). Whilst the numbers are similar to those of Tower Hamlets, Hackney is actively working to engage small and medium businesses in their local-to-global efforts, which means there is a higher likelihood of ethnic entrepreneurs with “born global” businesses lending to the revitalisation of Hackney. It is important to note that “ethnicity” of small businesses is not officially tracked, only SMEs and entrepreneurial start-ups.

Moving on to the “People and Communities” section of the assessment, Hackney questions if business growth automatically translates into job growth and considers what their share of job growth sectors may be (London Borough of Hackney, 2011). Hackney has 88,905 jobs of which 23% are in finance, 7% in creative industries and 7% in retail and hospitality: most of which are located in the Shoreditch area. Full-time

employment has decreased, with 36% of workers now employed part-time and the average age of the workforce getting younger. According to their latest internal profile (London Borough Hackney Policy Team, 2014): “Hackney is a relatively young borough with a quarter of its population under 20. The proportion of residents between 20 and 29 years has grown in the last 10 years and now stands at 21%. People aged over 55 make up only 14% of the population.” There has also been a rise in highly skilled workers in Hackney, and an increase in residents with qualifications (London Borough of Hackney, 2011).

At present, Hackney is well known for its creative industry clusters in Hoxton and South Shoreditch as well as the evening, night-time and the visitor economy these centres attract. Dalston has specialised in retail, is quickly developing as an artistic hub and it is the only major town centre within the borough. Hackney Central concentrates civic and cultural functions, with Hackney Empire attracting both local residents and visitors. (London Borough of Hackney, 2010b, p. 77)

Hackney policy papers indicate that there is a lot to build on to support the growth of the economy of Hackney, including expanding sectors, a high level of entrepreneurship and an increasing proportion of residents with degrees as engineers, architects and data analysts. However, it still faces severe inequalities amongst its minority population and young people aged between 18 and 24.

In this current context, five local councillors in Hackney were interviewed. Several themes emerged related to agency and structure across the interviews:

1. The recent history of coming out of emergency management and recovering from debt is always at the forefront of elected official's thoughts when asked about economic development
2. Given their recent emergence from debt, the local councillors seem energised and passionate about exploring new and various economic development ideas gathered from abroad and which inevitably carry some element of risk
3. All elected officials talk about capitalising on the economic growth presented by the 2012 Olympics and refer to plans to convert that into future borough growth, mainly in tech and media industries and globally connected technology services.

Councillor Guy Nicholson, Hackney's Cabinet Member for Regeneration, firmly believes that Hackney needs to take risks and engage in global business activities in order to create sustainable economic growth in the borough (G. Nicholson, Nicholson Interview, Conducted by Amy Hochadel, personal communication, 2013). He vehemently defends his work to connect local new economic sector businesses, especially technology companies, to global markets for growth in Hackney. At a time when the borough has only recently emerged from debt, Nicholson argues that they can either maintain the status quo of slowing pulling themselves out of the mire, or they can take bold steps towards securing a strategic future as part of the global economy. Specifically, this refers to technology businesses but Nicholson says he also looks to other regeneration strategies such as a city growth strategy out of Harvard University pointing to inclusion and fostering of small and medium enterprise businesses as a catalyst for local growth. For Nicholson, this also means capitalising on the heritage of Hackney in the garment industry, furniture making, and wood works as a global supply chain.

Nicholson feels that the role of local government is as a catalyst, to recognise the heritage, and relate new activities to what others are already doing, and then invest in the future. In Hackney, he wants local business owners to "see themselves as part of a global community" (G. Nicholson, Nicholson Interview, Conducted by Amy Hochadel, personal communication, 2013). He points out that the difference with the economic growth plan in Hackney, unlike London's financial district, is that "money is reinvested back into the community to drive growth". He explains that this model of creative partnerships allows money to remain and be reinvested because it flows back to local companies and community groups, whereas a local authority on its own is unable to reap tax benefits from businesses. He says that this is not about corporate social responsibility; it is about equipping a workforce. In this activity, local government needs to be "confident enough to enable and participate" in the activities to foster growth of a local-global economic community. "We understand that politics are people and people are politics. We can create an ecosystem as part of the community" (G. Nicholson, Nicholson Interview, Conducted by Amy Hochadel, personal communication, 2013).

Nicholson believes that "Tech City" is the exemplar of urban, social, cultural and economic change in this area. Its growth has been an organic and symbiotic process from the local level by the community and business leaders and could not have developed with an edict from central

government. He says that not only does central government not understand the process but that it is a hindrance when it makes statements and promotes something that it does not fully understand. Nicholson feels that local-global activities are best nurtured tactfully and carefully at the local level. Nicholson thinks “out-of-the-box”, beyond Hackney’s borders and operates in a transformational leadership style within a legislative-activist structure of local government.

Councillor Jonathan McShane considers multiple external models for shared incubator workspace ideas across Hackney (J. McShane, McShane Interview, Conducted by Amy Hochadel, personal communication, 2012). For example, McShane is interested in partnering with a local entrepreneur to use the Google Campus model to open an internet café and business workspace in part of a local library. This would allow the library to stay open longer, and attract more people to use its services while also providing a high-speed broadband connection to help foster start-up companies that need a business address and basic services to launch their companies. In addition, he feels that Hackney has benefitted immensely from the 2012 Olympic investments. In particular, Hackney has taken possession of the Olympic media centre building fitted with the most advance cabling and internet infrastructure available. This feeds directly into Hackney’s desire to capitalise on and expand its footprint as a global business technology destination.

McShane credits the borough’s elected mayor as being business-friendly and willing to enter into creative relationships with large corporations such as British Telecommunications (BT) to create vocational training programmes that prepare students for high-tech futures, or partnering with hospitals to move young people into science and health careers. The borough also partners with the Swiss Bank UBS to manage a local school academy: this provides UBS with a more effective way to leverage its corporate giving strategy with benefits for both UBS and the borough.

Turkish and Kurdish entrepreneurs have also been supported and fostered by local government. Many of these ethnic entrepreneurs are in the hospitality business and have renovated restaurants leading to a thriving business and social night-time economy. In supporting these ethnic communities which are contributing to economic regeneration, McShane says it forces local government to re-think and plan for local resources that also provide for various cultures and religions across the borough. This corresponds to Nicholson’s aspiration of addressing the situation holistically when planning for economic change inclusive of urban, social and cultural

change. As such, McShane is considered a transformational local leader in a legislative-activist structure.

Councillor Chris Kennedy is a Hackney enthusiast (C. Kennedy, Conducted by Amy Hochadel, personal communication, 2014). He eagerly discusses efforts to look abroad for public models to make Hackney an appealing location both for business and families in terms of workspace and green space. He is also committed to implementing the Scandinavian model for bike traffic and flow in Hackney to increase the safety of pedestrians and cyclists. While Councillor Kennedy is not interested in participating in global politics or a political position beyond that of local councillor, he is very aware that for Hackney to become attractive to a global market, it is necessary to look for global solutions to local issues.

He discusses ideas of regeneration across the economic, social, urban and cultural spectrum and demonstrates an understanding that a thriving area needs to bring together all the elements to create a sustainable and sought-after community. He is himself deeply involved in the local arts community. With this understanding and interest, he discusses various issues of regeneration, including partnering with Network Rail to use bridge arches for creation of fashion hub workspaces; improving the walkability and accessibility of local streets; capitalising on Olympic legacy structures, including the media centre; and exploiting Hackney's inclusiveness and commitment to diversity as an asset. The idea of twinning cities is taken further than the original trade and cultural exchange purposes as he sees Hackney both in competition with and as directly networked with Brooklyn, New York. Through this partnership, the two areas look for opportunities to create synergy in their city planning that may benefit both areas.

Kennedy refers to his modus operandi of being a councillor as the "slight outliers idea" which he describes as being open to considering slightly more unusual and unexpected things in order to encourage "out-of-the-box" and innovative thinking. In this way, Kennedy also shows that transformational councillors do not need to be international jet-setters engaged in high-level negotiations with multi-nationals; they can just as effectively be very locally focused while leveraging an international network to draw on best practice and innovation in local government.

Similar to Kennedy, Councillor Angus Mulready chose to become a local councillor to improve his own neighbourhood and to help meet the social needs of those living in the ward and borough (A. Mulready-Jones, Mulready-Jones Interview, Conducted by Amy Hochadel, personal communication, 2013). Mulready is aware of global issues and how they

may impact on activity at the local level, but he is not involved in these activities. He is attempting to work within the system, and focuses locally by attempting to make improvements in the Dalston ward. Mulready expressed a frustration in attempting to create change as an elected official. He said that he is not interested in engaging in party politics and his motivation is to address a few local issues around transport and housing in the Dalston ward. He is the only one of the five councillors interviewed in Hackney who displayed a transactional style of agency, attempting to operate in a legislative-activist structure. As such, he felt frustration navigating the political system, to a point that in 2015 he resigned his position as councillor in favour of a position in the civil service.

Councillor Feryal Demirci, cabinet member for neighbourhoods, champions the borough's willingness to take risks and act in a transformational style (F. Demirci, Demirci Interview, Conducted by Amy Hochadel, personal communication, 2015). She feels that it was because of the emergency management situation in 2000 that Hackney began to think "out-of-the-box". With no control of the budget and few options left to provide basic services, councillors had to be creative in looking for partnerships and solutions to their austerity measures. She talks enthusiastically about partnerships across multiple stakeholders and sectors being part of the foundation of how the borough now operates. She said it is these partnerships and innovative ideas on outsourcing, insourcing and creative funding that have allowed Hackney to emerge from the severe fiscal situation it was in 10 years ago.

It was this type of thinking that influenced the borough to partner with local community groups and other organisations to seek various opportunities for funding at the EU level which, she explained, generally comes as small grants or specific programmes that help jump start innovative ideas at the local level.

In addition to encouraging resilience in their fiscal situation, Demirci said it allowed an opportunity for the borough to look outward, and overseas, for ideas. This provided the borough with ideas on combining street cleaning with recycling on bin collection day, for example: a seemingly banal activity but by combining it into one service, bringing it in-house and partnering with the community, the borough saved thousands of pounds, according to Demirci. They have pursued similar scenarios and partnerships with cycling schemes across the borough.

Demirci stated that the structure of the local government and the leadership from the mayor mean that no idea is ever thrown out without

full consideration. No agenda is ever dominated by one person or interest group. This has empowered people and enterprises to participate and partner with local government in solutions to improve Hackney. Another example of this is the Hackney Energy project at Banister House: the council partnered with a local non-profit organisation to create a cooperative that residents can invest in and which will decrease carbon dioxide emissions, reduce energy costs and train young people as alternative energy technicians and entrepreneurs.

Mayor Pipe has been driving transformational leadership from his councillors as well as implementing a structure for a legislative-activist local government that will facilitate their work. In March 2014, along with other members of the Taskforce for Innovation in Local Government, Pipe published “The First Report: The Case for Change”. The report argues that a constraining system of local government, locked into old ways of doing things, will no longer be able to meet the needs of the local residents and restricts the ability of the local government and local councillors to pursue innovative and necessary solutions (Leese et al., 2014). Mayor Pipe was chosen to lead the Innovation in Local Government Taskforce in 2013 by Ed Milliband, the leader of the Labour Party, because of his ability to influence innovative change in Hackney. The report outlines what the Taskforce sees as the challenges facing local government and suggests the solutions (2014, pp. 2–9). First, they identify two opposing and key priorities, an increased need for local services alongside shrinking local budgets, as a dysfunctional system that forces local government to “salami slice” budgets. The need for both, more services and reduced budgets, only serves to perpetuate the existing faulty system. The status quo is prone to inefficiencies created by acting in silos as well as structures that are unable to manage the complexity of the current problem. The report recommends devolution of power to local government based on three principles:

- a people-powered system will break down silos and encourage innovative solutions to complex problems;
- insourcing or outsourcing will no longer address the financial failures of the system, and new models need to be developed that include collaboration and partnerships across public, private and social sectors; and
- social service investment models need to be redirected more heavily towards early intervention rather than reactionary triage-type services.

Mayor Pipe is “walking the talk” and is attempting to hold up Hackney as a model for the case for change. In the short term, there is evidence that his emphasis on transformational leadership and a legislative-activist structure for local government is having a positive impact in Hackney. The question is whether or not this will, in turn, lead to a sustainable and thriving community for the borough over the next 15 years and beyond.

Hackney—The Future

Hackney has developed its 15-year Core Strategy (2010a) as part of its Local Development Framework, capitalising on what seems to be early days of positive economic growth for Hackney. However, the local councillors and the mayor believe there are positive indicators for future growth alongside these early shoots.

The Core Strategy has three main components represented by “Delivering Sustainable Growth”, “Supporting Neighbourhoods and Communities” and “A Dynamic and Creative Economy”. In “Delivering Sustainable Growth” (Hackney Core Strategy, 2010a, pp. 34–46), the plan focuses on infrastructure that will enable the population to increase and provide an environment where people choose to live. It seeks to accomplish this through investment and expansion of town centres, particularly around Dalston and Hackney Wick. It will improve local transport stations and add four new rail tracks. Housing will be improved and expanded through a programme of new development in Shoreditch, the area of the borough which is seeing the most business growth and has the highest employment, as well as engaging in estate renewal and building two new communities in Woodbury Down and Hackney Wick. Unlike Barking & Dagenham, in Hackney there is a direct correlation between the Local Economic Assessment outlining the strengths, weaknesses and opportunities of the status quo and the planned economic activities and goals detailed in the Local Development Framework 15-year plan.

In “Supporting Neighbourhoods and Communities” (Hackney Core Strategy, 2010a, pp. 58–71), there is a heavy emphasis on the input of social services and how this helps create thriving neighbourhoods. The section describes their investment plan for schools, GP surgeries and health centres, libraries and job centres. The report denotes an aspiration to create “lifetime neighbourhoods” where services exist to meet all ages, ethnicities and incomes, as well as a clear plan for improving education through primary and secondary schools, including lifelong learning pro-

grammes geared towards the new economic job sector. There is also a very strong emphasis in this section on collaboration which details the types of partnerships they will, or hope to, engage in to achieve each of these goals. The partnerships are not simply public-private but refer more to a complex collective engagement of the public, government, corporations and the third sector, indicating a progression from the status quo into new and innovative structures for local government to meet future needs.

The third key section of the report, “A Dynamic and Creative Economy” (Hackney Core Strategy, 2010a, pp. 79–93), draws on several specific themes from the Local Economic Assessment, including an emphasis on creative and technology-related growth and supporting entrepreneurship. Specifically, the strategy details investment in the social and business night-time economy as well as plans to make town centres hubs for families through additions of street markets. The section also details the investment and expansion plans for creative clusters which include new shared workspaces, incubator space and creative work locations that provide high-speed internet and advanced technology provisions. Alongside these two activities, the council will build 22,000 new homes focusing mainly the same high growth areas of Hackney Wick and Shoreditch (Fig. 5.5).

An exemplar of this part of the development framework that will receive additional investment and fostering is Hackney’s Tech City. This is a public-funded organisation that operates through forming private partnership and seeking investors.

Tech City refers to a web of interdependent businesses including technology and digital companies working in app design, games development and web programming. These businesses have propelled growth in Hackney by 52% since 2003 leading to the establishment of a creative technology knowledge cluster in Shoreditch. The cluster also includes supply chain companies specialising in business services such as digital marketing, events management, architecture, design and management consultancy firms. (London Borough of Hackney, 2010c)

Tech City has received broad interest and investment from a variety of global companies, including BT, Google, Cisco, McKinsey and Company, Microsoft and a number of universities. The initiative fosters mature companies, supports new start-ups and provides an incubator for new ideas as part of the Olympic Park facilities now managed by Hackney (London Borough of Hackney, 2010c). Central Government acts as a facilitator



Fig. 5.5 London Borough of Hackney Local Development Framework, Core Strategy overview (2010a, 2010b)

to the market rather than setting Tech City's strategy. Several of the corporations have come together "to create a not-for-profit graduate entrepreneurship programme, introducing the Entrepreneurs Visa, sponsoring an Entrepreneurs Festival which brought together entrepreneurs and investors from across the US, UK and Europe, and providing millions of pounds worth of free publicity" (London Borough of Hackney, 2010c). Hackney has created a globally competitive cluster of technology businesses that have been fostered, supported and invested in on the local level. Hackney's legislative-activist structure has enabled this activity which has flourished and encouraged "ingenuity and a freelance culture that is willing to take risks, juggle multiple projects and is happy to lend their knowledge to whatever the creative task may be—including running a restaurant" (London Borough of Hackney, 2010c). Further,

those active in this global technology renaissance feel that “Tech City has more in common with the grassroots digital scenes in global cultural cities such as Austin, Texas; or Berlin; New York City; than the larger areas that focus purely on enterprise like Cambridge Business Park or Silicon Valley” (London Borough of Hackney, 2010c). The report also identifies global activities that have enhanced this economic activity: for example, that Hackney is linked into a global network of cities all working on similar initiatives and partnering to support each other. Hackney Council represents those interests abroad in coordinated activities such as “Internet Week Europe”, “Global Data Link-up” (which is a collaboration of Hackney, Zurich, Singapore and San Francisco) and partnering agreements with Barcelona and Austin, Texas.

Finally, it is important to note that the Olympic investment that the borough sought and received also plays a role in the Core Strategy with an objective that states: “Ensure the benefits of the 2012 Olympic and Paralympic Games and its legacy are harnessed to support economic, social and environmental improvements over the long-term” (London Borough of Hackney, 2010a, p. 26).

Through both the legislative-activist structure that the elected mayor has championed and the transformational leadership of the local councillors, there is evidence that Hackney is poised to capitalise on its local economy in a global market.

Tower Hamlets—The Past

Tower Hamlets encompasses a large portion of London’s East End and was until recently the epitome of what the term “East End” had come to embody over the last 100 years: poverty, disease, houses of ill repute, overcrowded workhouses, dosshouses and a thriving criminal element.

Our rambles have now brought us to the Docks; but, before describing them, we must glance backward at the scenes which in former years met the eye on the very spots which these vast basins now occupy. There are people still living who can remember when Blackwall Reach had for its landmarks grim gibbet-posts, on which the bodies of pirates bleached and blackened in the storm and sunshine, ‘making night hideous;’ when the whole neighbourhood beyond the Tower, instead of being the home of mighty ships—that seem to sleep after their perilous voyages in the Docks—was a nest of ill-famed streets and dangerous alleys, unsafe even in the open noon of day, and at night trodden with dread by the peaceful passenger; when the

Tower Hamlets disgorged their lawless inhabitants to witness an execution on Tower-hill, attack a press-gang, or rescue some sailor from the claws of justice, to be borne in triumph to the nearest tavern. (Miller, 1852)

The Victorian era in Tower Hamlets is also the stuff of legends and is steeped in the area's illicit history and embodied in the Jack the Ripper murders in Whitechapel (1888), as well as the women's labour action of the Bow Matchgirl's Strike of 1888 in which nearly 1400 women and girls protested against deplorable working conditions which were leading to serious health complications (Fishman, 1979). Tower Hamlets' history is famous for its infamy.

Situated directly along the north side of the River Thames, Tower Hamlets was a powerhouse of the docking and shipping industry, with the East India Shipping Company establishing its headquarters there in 1722. In addition to industries related to shipping and the docks, Tower Hamlets has also housed a large garment industry that drew many Jewish families and then Asian workers to the area.

Tower Hamlets, similar to other East London boroughs, has experienced a population explosion. In 1801 the population was 144,000. This had risen to 254,100 by 2011. It made the biggest jump of any borough in England and Wales between 2001 and 2011 with a 29% increase in population (London Datastore, 2013). Interestingly, its ethnic demographics have also made a rapid transition over the last 20 years. In 1991, the population was 64% white British and less than 1% Asian. The numbers shift dramatically by 2011, resulting in an Asian population of 41% and a white British population of 45% (London Datastore, 1991, 2011). At its height in the early 1900s up to 1970, the docks grew to employ approximately 150,000 people but by the 1980s this had plummeted to around 3000 (Canary Wharf Group Place, 2014).

In more recent history, poverty in Tower Hamlets continues to rise and, by the 1990s, anti-immigrant political parties were making headway in the local government, mainly by running on a platform that was opposed to the high influx of Bangladeshi people into the borough. In 1993, Tower Hamlets was the first location in the country in which the BNP won a council seat.

With the development of the banking centre on Canary Wharf that began in 1990, Tower Hamlets embarked on one of the greatest regeneration efforts programmes of the twentieth century. It now houses one of the world's largest banking headquarters. And yet, for all this wealth, Tower

Hamlets has been unable to shake off its Victorian East End persona and remains one of the poorest boroughs in England and Wales.

Tower Hamlets—The Present

“Tower Hamlets Local Economic Assessment” contains a reflection of its diverse and paradoxical past. The “Business and Enterprise” section of the Assessment details how Tower Hamlets imports the most highly skilled jobs from across the country and exports the most low-skilled jobs in their place (2010b, Vol. 2, pp. 10–54). Its wealth is found in the banking and finance industry, which forms 55% of the borough’s total economy. The jobs are mostly focused on three geographical areas: Canary Wharf, Spitalfields and Aldgate which contain 60% of the total workforce. Being one of the world’s largest banking centres means it has come to symbolise wealth, but it also means that more than half of Tower Hamlets’ economic activity is completely dependent on the global economic situation, a precarious position given the instability of the global markets over the past 10 years.

The “People and Communities” part of the report reflects Tower Hamlets’ economic divide (2010b, Vol. 3, pp. 1–3). Whilst the number of jobs in the borough has doubled over the last 20 years, there remains a high unemployment rate among local residents. Most of the new jobs in the past decade require highly skilled graduates and there remains a lack of skilled workers within the borough.

In assessing the current state of “Sustainable Economic Growth”, the analysis describes the borough as one with both excess wealth *and* deprivation (Vol. 4, pp. 1–3). There has been a high rate of population growth, yet those new residents are unable to afford the local housing. The assessment also identifies what it saw at the time as multiple benefits that will be provided by Olympic investment in 2012 that can complement additional regeneration projects across the borough.

In 2014, a healthy number of small and medium businesses started up: 12,705; with a 35% life expectancy, in 5 years, 4447 will still remain (GLA Intelligence, 2014). However, given the amount of turmoil and conflicting types of agency and structure the borough faces, they in effect, act to cancel each other out and do not help the borough make progress in gaining global fluency or effective economic development; this may also mean the borough will not be able to actively facilitate the local small and medium businesses to participate in local-to-global economic activities (Fig. 5.6).

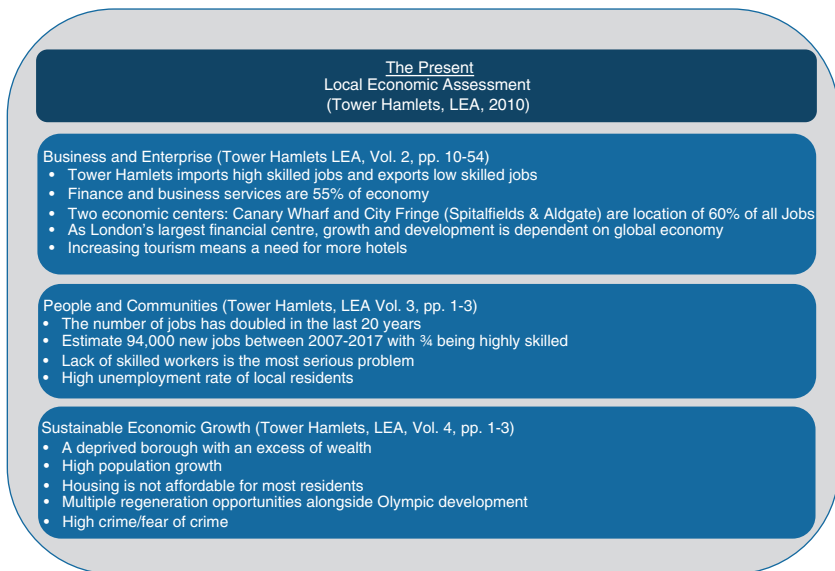


Fig. 5.6 London borough of Tower Hamlets Local Economic Assessment overview (2010b)

Like Hackney, Tower Hamlets has a directly elected mayor. However, there are few further similarities with Hackney. During the period of interviews and fieldwork undertaken for this research, Tower Hamlets was represented by Mayor Lutfur Rahman, who was deposed as mayor on corruption charges in April 2015. In addition, the Tower Hamlets First Party, the political party founded by former Mayor Rahman, is no longer recognised as an official political party by the Election Commission—although the interviewees were members of the party at the time of their interviews.

The Conservative government, led by Secretary of State for Communities Eric Pickles, claimed that former Mayor Lutfur Rahman had ties with terrorist organisations, committed election fraud, mismanaged public finances and used his position of power to grant political favours. “Pickles told the Commons that Rahman had dispensed public money like a ‘medieval monarch’ and oversaw an administration that was ‘at best dysfunctional, at worst riddled with cronyism and corruption’. He said grants were distributed without rationale, clear objectives, monitoring or

transparency” (Wintour, 2014). Mr. Rahman and his supporters claimed they were the victims of an anti-immigrant, anti-Muslim witch-hunt by the Conservative government, which is afraid of a political machine that empowers those very communities.

On 31 March 2014, the television series BBC Panorama ran a feature where investigative reporter John Ware looked into the corruption allegations in Tower Hamlets. As one of the first boroughs with a directly elected mayor, Ware reported how Mr. Rahman had “rebranded” the borough using, for the first time, the mayor’s name and picture. Similarly, Ware examined the allegations that the mayor used public money and resources to boost his political machine; this included the publication of a weekly borough-wide newspaper that almost exclusively reported on the activities of the mayor and his political party and the use of the local Bangladeshi TV channel, Channel S, as a platform for political self-promotion. Ofcom, the government’s communications regulator, determined that Channel S was indeed in breach of Rule 5.1 which dictates that news must be accurate and impartial (Ofcom, June, 2012, pp. 4–9).

Mr. Ware investigated the allegations of misuse of public funds and reported that Mayor Rahman ignored the council’s budgeting recommendations and redirected £6m of public funding towards local Bangladeshi and Muslim organisations, citing simply that “local information applied” (BBC One, 2014). In addition, the mayor cut other funding streams by 21% to cover an increase of £3.6m in public funding to the same organisations. Ware claimed that these organisations are responsible for helping build the mayor’s political base and influencing the high turnout and large number of votes for Mayor Rahman at the local election in 2014. Further, Mr. Rahman was the only directly elected mayor of the current 15 mayors in England who refused to attend the local Overview and Scrutiny Committee which has the function of allowing council members and the public to question mayoral decisions in the redirection of public funding. In responding to the programme, Mr. Rahman accused the BBC Panorama feature of being “the mouthpiece for the opposition in Tower Hamlets” (BBC One, 2014). Regardless of the allegations, Mr. Rahman retained solid support in the borough among Bangladeshi constituents and won his 2014 re-election with 43% of the vote in a ten-candidate race. However, Mr. Rahman could not overcome a court ruling that officially removed him from office in early 2015.

As previously noted in Chap. 3, trust of central government is at an all-time low amongst the general public while trust of local government is at

an all-time high. Constituents, like those in Tower Hamlets, are more supportive of someone who is seemingly fighting for local jobs, redevelopment and the needs of their families within local government which they trust, than accusations from central government which they distrust. The question then for all local constituents is not whether Mr. Rahman engaged in behaviour that may be deemed corrupt, but rather whether he made Tower Hamlets a better place for them to live during his term in office.

However, following his dismissal, questions remain about how long the former mayor's base of support will last and whether it differs within first- and second-generation immigrant populations. A recent article in *The Economist* (2014) infers that a stronghold of the Bangladeshi political machine may be limited to one generation. As Bangladeshi children educationally out-perform poor white British children, they effectively become acculturated as British and do not have as strong an affiliation to Bangladeshi politicians as first-generation immigrants.

The controversy in Tower Hamlets led Eric Pickles, in April 2014, to appoint PricewaterhouseCoopers (PWC) to undertake an independent audit of the fiscal impropriety claims within the borough. In his report, released in October 2014, PWC (p. 17) outlined the areas they investigated:

- (a) The Authority's payment of grants and connected decisions;
- (b) The transfer of property by the Authority to third parties;
- (c) Spending and the decisions of the Authority in relation to public-ity; and
- (d) The Authority's processes and practices for entering into contracts.

PWC's results showed that the borough failed to comply with their statutory duty in three out of the four areas of focus and that, in the fourth, "processes and practices for entering into contract", the borough had faced significant challenges and weaknesses. In particular, they found that in issuing grants to community organisations, the borough did not follow proper procedure or transparency, did not provide enough rationale for overriding and redirecting funds, allowed grants to flow to organisations that were ineligible and had little or no oversight of the grants that were awarded (p. 18).

Following PWC's findings, Secretary Pickles ordered that Tower Hamlets be run by three independent commissioners appointed by central government through to 2017, a move recently pre-empted by the

deposition of Lutfur Rahman and subsequent election of a new mayor, John Biggs, a Labour Party member (2015). In response to the Secretary of State's actions, former Mayor Rahman fired back that the accusations that he favoured Muslim organisations, or engaged in acts of cronyism or preferential treatment, were unfounded and untrue (Rahman, 2014). He claimed he faced a smear campaign because he was successful against the powerful political machine of the Conservatives in rallying active grassroots support and had instituted policies and programmes that succeeded in serving the people of Tower Hamlets whom central government has left behind. "In short we have embarrassed the political class. We have proved that in the heart of the London machine, national politics can be replaced by community politics—and some would have us pay dearly for that" (Rahman, 2014). Rahman is vehement that his administration served and supported the residents of Tower Hamlets. He severely criticises the Conservative government in saying, "I will not take lectures on 'the politics of division' from parties that bash immigrants and those on welfare benefits, or from politicians disgraced by expenses scandals, discredited by lies told to justify war, and intent on scapegoating the vulnerable in our society for an economic crisis caused by the most powerful" (Rahman, 2014).

The situation in Tower Hamlets, and in local government in general, is not uncommon. For example, in 1979, the 33-year-old Mayor of Cleveland, Ohio (USA), Dennis Kucinich, was challenged by a conservative political machine in a similar fashion. Kucinich was harassed by conservatives and the press as a petulant "boy mayor" with an unruly cabinet that did not play by party rules. The conservatives threatened the mayor through their relationship with the banks by forcing the mayor to sell the public electric company to a private investor under threat of calling in all loans that the city had with the bank, effectively forcing the city into bankruptcy. Kucinich felt that the residents of Cleveland would be better served by a publicly owned utility and refused to sell. The banks called in the loans and the city went into bankruptcy. The conservatives then pushed for a special election to have the mayor recalled and he was forced out of office. It wasn't until 17 years later that the residents, who were now facing rising utility costs under a private corporate electric company, turned to Kucinich once again and elected him to the US Congress as the champion of the residents and working class. In doing so he also built a powerful grassroots political machine based on quality constituent service that the conservatives found difficult to beat. On the back of this

level of commitment and support, politicians can build powerful political machines difficult to topple even under allegations, charges and threats from the highest level.

It was during Lutfur Rahman's time as mayor that three Tower Hamlets councillors were interviewed: Councillor Shiria Khatun, deputy leader of the Labour Group (2012); Councillor Andrew Wood, Conservative Party (2014); and Deputy Mayor and Cabinet Member for Economic Development, Oliur Rahman (2015) (no relation to Lutfur Rahman) of the Tower Hamlets First Party. Themes varied among all three of the interviews with some shared themes, such as the desire to up-skill local residents for greater participation in Tower Hamlets' economy and a desire to re-direct more of the tax base from Canary Wharf into the borough. But, given the political differences, there was also a strongly shared theme of divisiveness and struggle between political parties, politicians and policies that acted as a barrier to achieving consensus on local initiatives. The two Bangladeshi Councillors, Khatun and Rahman, had a shared sense of deep commitment and desire for betterment of the local Bangladeshi population, whilst councillor Wood felt that the council's singular focus on the Bangladeshi population may divert attention and efforts away from other improvements across the borough.

Councillor Khatun faced a tough battle as a Muslim Bangladeshi woman in her aspirations to rise through the political ranks (S. Khatun, Khatun Interview. Conducted by Amy Hochadel, personal communication, 2012). She was heavily criticised by the local Bangladeshi papers for running and received multiple death threats against her and her family in the early days of her political career. However, she says that this resistance only drove her harder to work for the people of Tower Hamlets and to prove the cynics wrong.

Ms. Khatun, who is also deputy leader of the Labour group, heavily lobbies for tax base money to stay in the local neighbourhood most impacted by new development, especially neighbourhoods around Canary Wharf which sit in the shadows of the financial corporation high-rises. She is vice chair of the borough's Planning Committee and uses that position as much as possible to negotiate with local developers. It is a powerful position for someone who, at the time of the fieldwork interviews in this research (2012–2014), was not part of the party in power. But, in order to lobby financial corporations for local investment, she says that one cannot be an administrator; it is only as an activist and legislator that one can achieve success in local politics, particularly when not a member of the

ruling party. She wants to continue to use her power to negotiate with local multi-national corporations to hire local graduates, as well as to train local non-graduates, to enter the global business arena.

Khatun blamed the then Mayor Lutfur for not driving through some of these initiatives. In her opinion, he lacked drive and had no activism to challenge and engage with the global businesses in the borough. She also claims that Tower Hamlets lost out on a significant portion of the 2012 Olympic development money because Lutfur was not an activist in the style of Sir Robin Wales of the neighbouring borough of Newham, which received a healthy influx of new money from Olympic development. She says it is a question of leadership, and whilst the former Mayor of Tower Hamlets “talked” about Olympic jobs for local workers, in the end only 29 applications were made for temporary employment, due to a transactional rather than transformational style of leadership (S. Khatun, Khatun Interview. Conducted by Amy Hochadel, personal communication, 2012). The International Olympic Committee (2012) estimated that

more than 46,000 people worked on the Olympic Park and Olympic Village, 10 percent of whom were previously unemployed. The five host boroughs surrounding the Olympic Park provided nearly a quarter of the workforce throughout the project. For example, the Host Borough of Newham had 4,364 residents employed by LOCOG. (IOC, 2012, pp. 7–8)

Brick Lane, also known as Banglatown by local residents, is a well-known area and tourist attraction of curry restaurants and markets in the borough. Based on promises of Olympic development money and massive Olympic tourism, many of the small business owners were encouraged by the administration to invest in their businesses to prepare for the Olympic tourist trade. However, these businesses felt they lost their investments when the tourism did not significantly increase. Khatun points out that the former mayor talked about development based on the Olympics but did not follow through with actions that would have marketed Brick Lane to global tourists during the time.

As an immigrant, Ms. Khatun has a global view of the activities she wants to engage in, as well as a strong desire to rise within the Labour Party. She sees an opportunity to improve the lives of the residents of Tower Hamlets by connecting them with a global financial market on their doorstep, but she is constrained from pursuing this by the political structure of the former Mayor Lutfur. She has a clear transformational

style of leadership and has sought to use it to bring global opportunities to local people but she feels she is prevented from implementing change by an isolationist style of administrative-executor local government.

Councillor Andrew Wood was one of the five Conservative councillors in 2014 in Tower Hamlets, sitting alongside 22 Labour and 18 Tower Hamlets First Party members in the council. Mr. Wood was keen to discuss what he sees as “divisive politics” by the Tower Hamlets First Party and the then mayor, alongside corruption and election fraud (A. Wood, Wood Interview. Conducted by Amy Hochadel, personal communication, 2014). Wood also says that the real power in Tower Hamlets rests with the developers of Canary Wharf and not with the elected mayor.

Secondly, Mr. Wood discusses his priorities as a councillor in attempting to influence the agenda around development and building, particularly in building more affordable housing. However, he says that he is under no illusions that he has little power and ability to influence the agenda in any way. He sees himself as a facilitator and as someone who can, at least, draw attention to issues through his role, even if he is not able to bring about change. His biggest criticism of the former mayor and his party is what he describes as a lack of “execution”. He feels that whilst there is a lot of talk and the illusion of big plans for the borough, there is very little delivery of those goals. He describes the then mayor and his cabinet as “parochial” in their economic and social welfare plans. Mr. Wood believes he is doing the best he can with the status quo and his position within it. He operates in a transaction style and heavily criticises the insular and executive-administrative style of the mayor.

Representing the party in power, Councillor Oliur Rahman is the Deputy Mayor and Cabinet member for economic development. He, not surprisingly, takes a contradictory view of Tower Hamlets First Party and the former Mayor Rahman than that of Councillor Woods (O. Rahman, Rahman Interview, Conducted by Amy Hochadel, personal communication, 2015). He feels that the then mayor is a committed leader and a driving force to creating innovative change in the borough.

Councillor Rahman describes himself as a Muslim, Bangladeshi, socialist, British, trade unionist. He says he cannot separate one from the other and feels that all of these elements encompass his identity. He says that in Bangladesh, the caste system still operates district by district, but that when the immigrants come here, he attempts to instil in them a sense of unity that everyone is equal. His interest in politics arose from activism against the Iraq war. He felt that, in order to make a difference, he needed

to enter politics to create change. That change, he feels, is based on a personal commitment, a drive for better education, greater understanding of each other and is, above all, based on leadership. That leadership is what he feels Tower Hamlets First and the former mayor brings to the table.

Councillor Rahman believes that Tower Hamlets is a progressive borough and has been held up nationally as an example for many of the programmes they have implemented, including the free school meals programme and the transformation of the local schools. He believes they have been able to accomplish this through a top-down directive to “be more creative, explore things”. Further, he states, “We do not believe in cutting front line services, we do not believe in austerity” (O. Rahman, Rahman Interview. Conducted by Amy Hochadel, personal communication, 2015). He claims their initiatives are accomplished through assessing every stage of the work, seeking solutions early, negotiating and working with external partners.

Councillor Rahman also leverages his role as councillor to participate in international anti-war and global peace initiatives. It is his local elected role that provides him with the access point to be an activist on the global stage where he can make his views known. He is part of the UK & Islands Mayors for Peace; he attends international conferences and participates in United Nations delegations. Councillor Rahman would describe himself, and the elected mayor, as transformational leaders who are operating within a progressive legislative-activist local government structure; this view is very much at odds with those in the opposition parties.

In a re-run election in June 2015, John Biggs of the Labour Party won the mayoral election with a narrow majority against the Tower Hamlets First party candidate. The implications for both parties and future actions in the borough are yet to be known. Finally, the tenuous economic situation of the borough being at the whim of the global market through Canary Wharf makes any attempt at future economic stability prediction challenging.

Tower Hamlets—The Future

The Core Strategy of the Local Development Plan provides a glimpse into the potential future of Tower Hamlets. The Strategy outlines four primary areas of focus: “Refocusing on the Town Centres”, “Strengthening Neighbourhood Well-being”, “Enabling Prosperous Communities” and “Designing a High Quality City” (September 2010).

The Core Strategy has been branded as a primer to create “One Tower Hamlets—diverse communities, distinct places” (2010a, p. 20). The concept is a vision based on the current realities of the borough positioned under the main headings of “people” and “places”.

Under “people”, the plan recognises the high level of ethnic diversity in the borough and the expectation that its population will increase. It also acknowledges that the borough is one of the most deprived in the UK, which lowers life expectancy. Finally, it recognises that highly skilled workers are imported, with over 200,000 commuters entering the borough each day, whilst concomitantly low-skilled workers are exported.

The distinct “places” section details Tower Hamlets’ unique position along the River Thames, its vast collection of green spaces and well-known areas such as Canary Wharf, the Tower of London and the Docklands. It is with an understanding of these current realities that the Core Strategy has an “aspiration to build ‘One Tower Hamlets’—a borough where everyone has equal stake and status; where people have the same opportunities as their neighbour; where people have a responsibility to contribute; and where families are the cornerstone of success” (p. 22) (Fig. 5.7).

The section that provides clear links from the Local Economic Assessment to the future planning in the Core Strategy is the “enabling prosperous communities” section (pp. 60–69). This section details a plan for supporting Canary Wharf and the city fringe whilst also expanding the base of employment to other areas. Alongside this sit extensive plans for primary and secondary school improvements, investment in youth centres, expanding higher education opportunities and building the skill capacity of local residents. These programmes and activities would help to move local residents into employment, move children into more robust academies and seek to decrease the rich-poor divide across the borough.

In other aspects, the Core Strategy seems similar to that of other boroughs, including Hackney and Barking & Dagenham, with its refocus on town centres, increased mixed use business space, a massive focus on new housing, improving transport links, green space and environmental sustainability. As with all forward planning, there needs to be confidence and support for a clear execution plan to turn a vision document into a reality. The research finds that amongst the current office holders in Tower Hamlets, there are conflicting opinions on the ability to deliver.

The Core Strategy details a delivery and monitoring plan in which the council and a group of partners own the vision with the plan being delivered by a third party, the “Great Place to Live Delivery Group”, which

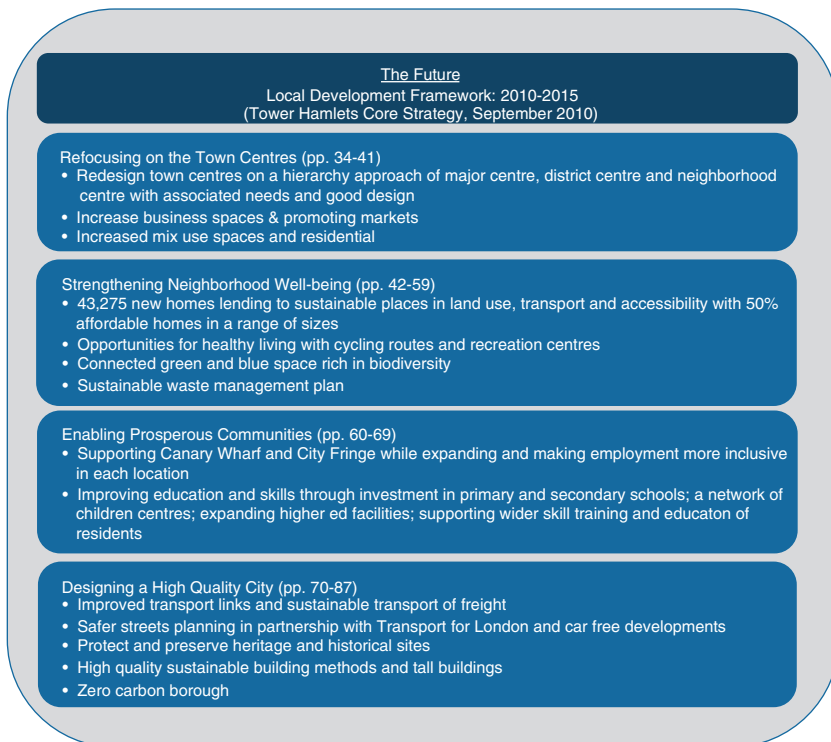


Fig. 5.7 London Borough of tower hamlets Local Development Framework, Core Strategy (2010a)

is part of Tower Hamlets Partnership. Whilst much is made of partnerships driving the vision and delivery of the plan, unlike the Hackney Core Strategy, the Tower Hamlets strategy does not detail who the specific partners are or will be, what the partnerships look like and how they will work. The Core Strategy paints a picture of a future Tower Hamlets but whether the picture becomes a reality is ambiguous.

Case Study Comparisons

Thus far, this chapter has provided a view of the past, present and future of three East London local authorities: Barking & Dagenham, Hackney, and Tower Hamlets. The past is represented through the historical context

of each borough's economic development journey. The present context is presented through the Local Economic Assessments completed by the borough as well as interviews with local councillors in each of the boroughs. Finally, the future perspective is analysed through a review of the boroughs' 15-year plans, from 2010 to 2025, embodied in the Core Strategy documents of their Local Development Frameworks. The three boroughs are now scored across *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013) with the purpose of assessing whether their past circumstances, present conditions and future plans (as described in this chapter) afford them the potential opportunity of participation in a global economy.

The structure of each borough is assessed against the traits and assigned a score as it relates to structural systems and processes. Each councillor interviewed within the boroughs is also scored along the "Ten Traits" as it relates to their *modus operandi*.

The scores for both structure and agency are on a scale of zero to three. "Zero" indicates a complete lack of global awareness. "One" indicates a level of "global awareness" on Clark and Moonen's phases of global fluency; that is, there is an awareness of both global economic issues and drivers but no participation in these activities. The focus is primarily inward-looking, lacking evidence of an understanding of the local connection to global issues. A "two" on the scale aligns with Clark and Moonen's phase of "globally oriented", meaning there is an understanding of the connection between the local and global economy and initial steps have been undertaken to align the local area more closely with the global economy: however, it has yet to achieve a fully embedded and successful system of local to global activity. A score of "three" indicates that full "global fluency" has been achieved and the local area is completely embedded and successfully participating in the global economy.

Scores for agency were assigned following the analysis of the researcher and based on the responses provided in the personal interviews. Scores for structure were assigned in one of two ways, either based on responses from the interviewees as to the structure in which they operate or based on information provided in the Local Economic Assessment and Local Development Frameworks. When each of the "Ten Traits" was scored under the structure category, the following aspects were considered and points were assigned at the estimation of the researcher along the lines of awareness (one point), orientation (two points) or fluency (three points) (Table 5.1).

Table 5.1 Scoring methodology for global fluency of local boroughs

<i>Global fluency trait</i>	<i>Policy indicators in local government</i>	<i>Behaviour indicators in local elected officials</i>
1. Leadership with a worldview	Scoring is based on responses from the interviewees as to whether their interest (if any) in global issues is supported by the local government framework, driven by local government leadership and to what extent it is embedded as an accepted practice within local government.	Scoring is based on the extent to which the local elected official is interested and involved in activities at the global level.
2. Legacy of global orientation	Scoring is based on an analysis of the economic development documents and the extent to which the borough takes advantage of the global city of London to establish their own local to global economic development plans.	Scoring is based on interviews with local elected officials presenting an understanding of the local borough's role and benefit from proximity to London.
3. Specialisations within reach	Scoring is based on an analysis of the economic development documents and the extent to which they provided detailed plans of an area of specialisation that connects the local economy to the global economy in sectors such as technology (including alternative energy), finance, communications (including marketing) and/or fashion and design.	Scoring is based on local elected officials who are actively supporting and working to establish economic development initiatives and businesses that link the local economy to the global.
4. Adaptability to global dynamics	Scoring is based on an analysis of the past, present and future economic documents of the borough and determining to what extent it has the ability to overcome significant periods of change.	Scoring is based on the local elected official's self-proclaimed ability to drive change within the borough in areas related to the global economy.
5. Culture of knowledge and innovation	Scoring is based on an assessment of the boroughs demographics in education attainment levels, employment statistics and workforce readiness for global economic sectors.	Scoring is based on the local elected officials work to better position the borough to drive forward knowledge and innovation.

(continued)

Table 5.1 (continued)

<i>Global fluency trait</i>	<i>Policy indicators in local government</i>	<i>Behaviour indicators in local elected officials</i>
6. Opportunity and appeal to the world	Scoring is based on an analysis of the local economic documents to determine appeal both in entrepreneurship and tourism. The borough's attention to and investment in business support mechanisms as well as service industries such as hotels, restaurants and the general night-time economy is an indicator.	Scoring is based on the extent that activities of the local elected officials create an inviting borough for tourism and business relocation.
7. International connectivity	Scoring is based on proximity to varied and reliable transport links for the international movement of both products and people.	Scoring is based on the local elected official's understanding of global connectivity issues and their work to improve transport links.
8. Ability to secure investment for strategic priorities	Scoring is based on the extent to which the borough engages in innovative and collaborative partnerships to fund initiatives as well as demographics indicating a healthy mix of small medium and large business interests.	Scoring is based on activities undertaken by the local elected officials to seek out and secure strategic investment opportunities and innovative partnerships.
9. Government as global enabler	Scoring is based on an assessment of the local political leadership through the responses of the interviewees as an indicator of the extent to which the borough's leaders use the government structure as a platform for global fluency, for example to drive recruitment of global talent and business or to help shape clusters of specialised industries.	Scoring is based on the activities of local elected officials to facilitate arrangements that attract business and people to the borough.

(continued)

Table 5.1 (continued)

<i>Global fluency trait</i>	<i>Policy indicators in local government</i>	<i>Behaviour indicators in local elected officials</i>
10. Compelling global identity	Scoring is based on the extent to which the borough has developed a brand that has global reach and the ability to attract both people and business to the area. Indicators in the economic documents include influx and lifespan of new entrepreneurial businesses, a changing population demographic towards skilled immigration and professionals, and recognised participation in global economic activity.	Scoring is based on activities of local elected officials working to establish a global brand identity for the borough.

Structurally, Barking & Dagenham had three categories in which it scored above “zero”. It receives a score of “one”, the lowest rating of the three boroughs, indicating globally aware (but not active) in the categories of Legacy of Global Orientation, Specialisations within Reach, and International Connectivity. In the first category, the borough was scored “one” for an understanding of its proximity to the centre of London and an opportunity to capitalise on the housing market. The borough recognises the opportunity to connect to a global market but does not put in place any activity other than housing to capitalise on this global orientation. Within the category of “Specialisations within Reach” the borough scored a “one” for its attempts to establish a London Sustainable Industries Park for new technology companies; however, they have made little progress in populating the park or aligning it with technology sectors on a global scale. The borough also received a “one” rating in the category of International Connectivity for their efforts to improve rail links and to capitalise on its proximity to London City Airport. Ultimately, most of the borough’s structural practices and policies are an attempt to maintain the status quo, and the structure leaves little room for transformational leadership to operate.

An assessment of the agency of local officials found that some officials had global fluency traits and an awareness of opportunities. Moderate ratings were marked for “Leadership with a Global View” expressed by one councillor, a “Culture of Knowledge and Innovation” expressed by three councillors, “Opportunity and Appeal to the World” expressed

by three councillors and similarly three councillors discussing the role of “Government as an Enabler” of partnerships with global reach. Specifically, within these categories, councillors recognised the potential of a local specialisation in green technology industries and an opportunity to invest in and expand the London Sustainable Industries Park and the need to build the skill capacity of their residents to participate and be competitive in a green technology economy. Three councillors also talked about the critical need of local government to be the enabler of activities which connect the local to the global through innovative partnerships, although they were not able to provide specific partnership examples.

The borough scored “zero” both in structure and agency in the categories of “Adaptability to Global Dynamics”, “Ability to Secure Funds for Strategic Priorities” and having a “Compelling Global Identity”. The interviews provided evidence that it is poised to continue in the transactional status quo where councillors do not exhibit global fluency traits and there is little structural opportunity for transformational leaders (Fig. 5.8).

Hackney rated high on both the structural and agency assessment as their structure not only encourages “out-of-the-box” thinking and innovative partnerships, but also fosters transformational leadership. It is seeking solutions to its economic development challenges by engaging in global markets and connecting with international regions to identify best



Fig. 5.8 Barking & Dagenham’s global potential mapped on: *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013)

practices to bring home. The leadership has adopted a strong worldview by capitalising on London's technology, fashion and arts economies as well as through participating in global networks with other cities around also working on facilitating new economic sectors in their local areas. Because Hackney has a large number of highly skilled graduate residents, there is a strong potential for these particular specialisations to succeed. The borough was also able to leverage Olympic investment in the form of development opportunities and legacy buildings which they are now able to put to use within these specialised markets; most auspiciously, it inherited the Olympic media building which is earmarked to be the home of BBC Sports and to provide technology start-up and entrepreneur space in one of the most hi-tech wired buildings in the world, placing this specialisation within reach of materialising and sustaining.

Hackney's economic turnaround during a time of austerity indicates it has an ability to be adaptable to global dynamics. However, it is unclear if the recovery can be sustained. During the last 10 years it has been able to brand itself as an arts and technology hub, thereby creating a compelling global identity which is recognised in many places around the world. Finally, Hackney's councillors are willing to experiment with new ways of working, test new partnerships and seek solutions abroad. It has shown that it can attract investment as well as tourists and that it is willing to engage in creative public/private partnerships to achieve goals. The overall assessment indicates that, based on current and future plans as well as a legislative-activist structure that is enabling its transformational leaders, Hackney has a high potential for global fluency (Fig. 5.9).

As assessed by the research undertaken in 2014, Tower Hamlets had a "mixed bag" of councillors. Although the Tower Hamlets First Party claimed that structurally they were legislative-activist with transformational councillors, this was refuted by the local Labour and Conservative parties which considered these claims to be mainly rhetoric; in their opinion, the Tower Hamlets First party was predominantly transactionally focused and managed through an administrative-executor style that was epitomised by an insular and inward-looking leadership team.

It is important to note that the assessments and scoring of the structure of the local government and agency of the local councillors were completed during the Tower Hamlets First Party mayoral administration. Structurally, the Tower Hamlets First administration capitalised on branding and marketing itself as a global financial centre. However, it only has one global specialism, which is its financial orientation, upon which the

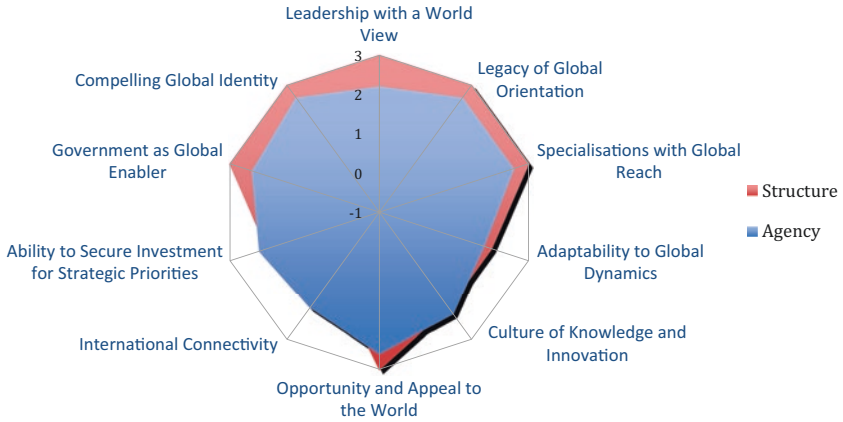


Fig. 5.9 Hackney's global potential mapped on: *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013)

local economy is entirely dependent. The borough has seen an increase in tourism and has good connectivity and transport links. However, it is unclear if the structure is able to engage in the type of partnerships needed to guarantee long-term sustainability and the potential of investment in areas aside from finance. The Tower Hamlets First administration claimed it had the ability to form those partnerships, whilst the opposing parties refuted the claim. As it takes the helm in the administration in 2015, the Labour Party has an opportunity to test its mettle in their own claims of innovative partnerships and investment opportunities.

The behaviour of the councillors also reflects the pattern of uncertainty which is exacerbated by the political distractions within the borough. Two councillors demonstrate a world view, participate in global networks and have an understanding of what the residents need to be competitive in the global market and ideas for creative economic development. However, the political atmosphere, rather than the local government structure, prevents them from creating initiatives that can have a real impact. Of the three boroughs, it is not possible to determine if Tower Hamlets has the capacity to be globally fluent and to participate and facilitate a local to global economy (Fig. 5.10).

The interviews demonstrated that each of the three boroughs and all of the councillors want the best for their area and its residents but they all adopt a very different approach to this desire. The three Local Economic

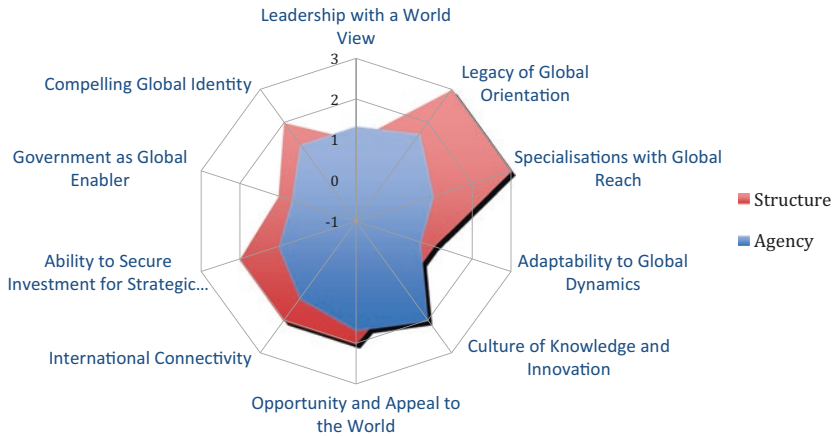


Fig. 5.10 Tower Hamlet's global potential mapped on: *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013)

Assessments seem to paint both a fair and an economically difficult picture. Their Local Development Framework contains big plans and hopes for the future. Mapping these across *The ten traits of globally fluent metro areas* (Clark & Moonen, 2013) indicates that each borough is heading in a different direction in a globally influenced local economy (Fig. 5.11).

CONCLUSION

This chapter has looked at the practical implications of globalisation at the local level. It explores three case studies to elucidate how and why the three local authorities may or may not be making economic progress by connecting the local economy to the global economy. Some look abroad, innovate and market globally; others focus on keeping essential services running while cutting the budgets of non-essential services to do so. The chapter compared the activities, the local structures involved within local government and the behaviour of local elected officials in Barking & Dagenham, Hackney and Tower Hamlets in the East End of London. The analyses of these three boroughs provide initial indicators towards the overall hypothesis that transformational local elected officials in a legislative-activist structure are best positioned to contribute to revitalisation through connecting the local economy to the global economy.



Fig. 5.11 *The ten truis of globally fluent metro areas* (Clark & Moonen, 2013) mapped across Barking & Dagenham, Hackney and Tower Hamlets

The boroughs have a comparable nineteenth- and twentieth-century industrial history: timber and furniture in Hackney, car manufacturing in Barking & Dagenham and shipping in Tower Hamlets. Each borough also experienced a decline of their industrial base post-1970. This decline brought with it a greater number of unemployed, a high level of poverty, a low level of education and advanced skills, and an increase in ethnic immigration. Additionally, in the run-up to and after the 2012 London Olympics held in the East End, all three boroughs saw the potential of Olympic Development Fund investment in business and infrastructure. Each borough was hopeful about the potential investments, but Hackney appears to have taken a greater advantage than the other two.

The boroughs' Local Economic Assessments reinforce this narrative. For example, Hackney's assessment showed several critical and positive indicators whilst still facing economic austerity and recovery. In particular, it recorded a growing segment of its population with post-graduate degrees in the new economy sectors of technology, media, design and architecture. It also showed an increase in small-medium businesses and an increasingly entrepreneurial inclination among residents.

Barking & Dagenham operates under an administrative-executor structure, leaving little room for activities that do not conform to the delivery of essential city services. Where there are a few elected officials with transformational style and global interests, their activity is constrained by the rigid government structure. However, most elected officials are primarily transactional; their leadership style and an administrative-executor structure combine to reinforce the status quo. The potential implications of this could be that the borough continues to stagnate and, for the foreseeable future, will make no economic recovery as it lacks the structure and agency to participate outside a local market. Barking & Dagenham brings into stark relief Nye's distinction between transactional and transformational politicians (2008). In doing so, it also provides a context for this research to create the dyadic pairing, indicating that transactional agency and an administrative-executor structure may no longer work to maintain a functioning local government in the era of globalisation.

Hackney's structure is one of openness and empowerment that facilitates the exploration and adoption of external and innovative solutions from best practices and shared networks around the world. Recovering from a difficult financial situation may have provided the borough the needed catalyst to think "out-of-the-box" and explore non-traditional partnerships for economic development initiatives. The elected mayor has encouraged

this activity within the structure which, being legislative-activist, reinforces and enables the transformational leadership style of local councillors with global interests. There is evidence that Hackney is heading for improved recovery results with a solid and autonomous base of activities already of high appeal to the global market. The global activity occurring in Hackney reinforces Cerny's framework that a more porous boundary allows local elected officials to operate on the global stage in increasingly varying and high level roles which, in turn, drives globalisation itself (Cerny, 2010). In addition, Hackney has capitalised on its position as a borough within the global city of London and aligned its new economic endeavours to support and reinforce the new economic sectors of London in technology and fashion.

In Tower Hamlets, the structure and agency were conflicting; it seemed to be structurally caught in a web of political divisiveness and alleged corruption. Former Mayor Lutfur and his appointed cabinet talked about innovative solutions, creative external partnerships and global best practices, but political opponents claimed there was no action to back up the rhetoric. Members of the former mayor's cabinet exhibited transformational leadership qualities and an interest in global economics and best practice. These behaviours were reinforced by the structure constructed by the former mayor but only limited to Tower Hamlets First councillors. The borough appears to have the potential for recovery through structure and agency, but both are currently inhibited by political upheaval. However, Tower Hamlets supports Sassen's (2001) "Global Cities" structure in acting as its hub for international finance.

Whether or not participation in the global economy will lead to long-term sustainability for local areas will be dependent on the health of the global economy. If the global economy fails and the success of local economies is dependent on the broader global network, it may very well be the administrative-executor governments with dedicated transactional leaders which are able to steer their ship through the rough economic waters. Those who have put their eggs in one basket, the global economy, through a legislative-activist structure and transformational leadership may find themselves left out in the cold due to a global economic downturn. The future is uncertain but if the trend towards globalisation continues, and if technology brings us closer together both virtually and physically, there may be no option but to move into the future as part of one interconnected network of global economies that are propelled by the local level.

REFERENCES

- BBC One. (2014). Panorama: The Mayor and our money [video]. Retrieved August 24, 2015, from <http://www.bbc.co.uk/programmes/b04044km>
- Blake, G., Diamond, J., Foot, J., Gidley, B., Mayo, M., Shukra, K., et al. (2008). *Community engagement and community cohesion*. London: Joseph Rowntree Foundation.
- Bragg, B. (2010). How Barking and Dagenham saw off the BNP. *The Guardian*. [online]. Retrieved July 15, 2013, from <http://www.theguardian.com/commentisfree/2010/may/07/bnp-barking-dagenham-billy-bragg>.
- Bunt, J. (2014). Revenue and capital budgets [online]. *Barking and Dagenham: Barking and Dagenham*. Retrieved March 23, 2015, from <https://www.lbbd.gov.uk/wp-content/uploads/2014/11/Summary-budget-book-2014-15.pdf>
- Canary Wharf Group Place. (2014). History of Canary Wharf [online]. Retrieved December 12, 2014, from <http://group.canarywharf.com/>
- Cerny, P. (2010). *Rethinking world politics*. New York: Oxford University Press.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Davidson, L. (2014). Ford to create 300-plus jobs at Dagenham plant. *The Telegraph* [online]. Retrieved November 12, 2014, from <http://www.telegraph.co.uk/finance/newsbysector/transport/11173629/Ford-to-create-300-plus-jobs-at-Dagenham-plant.html>
- Elledge, J. (2013). A guide to the borough of Barking and Dagenham. Londonist.com. [online] Retrieved August 20, 2014, from <http://www.londonist.com>
- Fishman, W. (1979). Bow match girls strike. *East London Record*, p. 2.
- GLA Intelligence. (2014). *London Borough Profiles*. London: Greater London Authority. Retrieved from <http://data.london.gov.uk/dataset/london-borough-profiles>.
- GLA Intelligence. (2015). *London Borough Profiles*. London: Greater London Authority. Retrieved from <http://data.london.gov.uk/dataset/london-borough-profiles>.
- Hutton, W. (2008). *The world we're in*. London: Little Brown Book Group.
- International Olympic Committee (IOC). (2012). *London 2012 Factsheet*. Lausanne, Switzerland: IOT.
- Leese, R., Pipe, J., & Taylor, S. (2014). *First report: The case for change* [online] London: Commissioned for Labour Policy Review. Retrieved March 9, 2015, from http://lgalabour.local.gov.uk/documents/330956/1072424/First_Report_The_case_for_change.pdf/
- London Borough of Barking and Dagenham. (2004). Barking and Dagenham growth commissions [online]. <https://www.lbbd.gov.uk/business/growing-the-borough/our-strategy-for-growth/overview-2/>

- London Borough of Barking and Dagenham. (2010a). Barking & Dagenham Core Strategy [online]. Barking & Dagenham: Barking & Dagenham. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010a/>
- London Borough of Barking and Dagenham. (2010b). Barking & Dagenham local development framework [online]. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010b/>
- London Borough of Barking and Dagenham. (2011). Barking & Dagenham local economic assessment [online]. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010/>
- London Borough of Hackney. (2010a). Hackney core strategy [online]. Hackney: Hackney.gov. Retrieved October 30, 2013, from <http://www.hackney.gov.uk/core-strategy.htm#.Vdt9i7fxiRs>
- London Borough of Hackney. (2010b). Hackney Local Development framework [online]. Hackney: Hackney.gov. Retrieved February 2, 2013, from <http://www.hackney.gov.uk/ep-local-development-framework-856.htm#.Vdtj2rfxiRs>
- London Borough of Hackney. (2010c). Tech city overview, Hackney local economic assessment [online]. Hackney: Hackney.gov. Retrieved October 30, 2013, from http://www.hackney.gov.uk/Assets/Documents/Tech_City_Overview.pdf
- London Borough of Hackney. (2011). Hackney local economic assessment overview [online]. Hackney: Hackney.gov. Retrieved May 4, 2013, from <http://www.hackney.gov.uk/Local-Economic-Assessment.htm#.VdtkqbfxiRs>
- London Borough of Hackney Policy Team. (2014). A Profile of Hackney, its people and place [online]. Hackney: Hackney.gov. Retrieved March 13, 2015, from <http://www.hackney.gov.uk/Assets/Documents/Hackney-Profile.pdf>
- London Borough of Tower Hamlets. (2010a). Tower Hamlets Core Strategy [online]. <http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Strategic-Planning/Local-Plan/Core-Strategy-and-MDD/Core-Strategy-low-resolution.pdf>
- London Borough of Tower Hamlets. (2010b). Tower hamlets local economic assessment (Vols. 1, 2, 3) [online]. Retrieved October 30, 2013, from http://www.towerhamlets.gov.uk/lgnl/community_and_living/borough_profile/research_and_briefings/economy_and_business.aspx
- London Datastore. (1991). Historical census data [online]. London. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>
- London Datastore. (2011). Historical census data [online]. London. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>

- London Datastore. (2013). Historical census data [online]. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>
- Miller, T. (1852). The London docks. In *Picturesque sketches of London, past and present*. London: Office of the National Illustrated Library.
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.
- OfCom. (2012). *OfCom Broadcast Bulletin*, 208, 4–9.
- Rahman, L. (2014). Lutfur Rahman: The accusation that I favoured Muslims in Tower Hamlets is utterly false [online]. *The Guardian*. Retrieved from <https://www.theguardian.com/commentisfree/2014/nov/05/lutfur-rahman-accusation-favoured-muslims-tower-hamlets-false-eric-pickles>
- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- The Economist. (2014). The badshah of Tower Hamlets. *The Economist*.
- Wintour, P. (2014). Eric Pickles takes over ‘rotten’ Tower Hamlets. *The Guardian*. [online]. <https://www.theguardian.com/politics/2014/nov/04/eric-pickles-tower-hamlets-london-borough>

Conclusions and Recommendations for Local Leadership in a Global Era

The 2015 British general election resulted in a conservative majority in the House of Commons and the coalition government of the previous five years was dissolved. Under the Conservative agenda, the devolution of powers from central government to local government is forecast to continue alongside widespread cuts and the privatisation of services. Local government in the UK will be expected to be more self-sufficient, more flexible, more economically adept and more creative than ever before, in order to deliver basic services and to implement economic revitalisation initiatives without the financial support of central government. The trend of devolution is not limited to the UK alone, and UK cities are not the only cities participating in a global economy. There are signs from large and small cities around the world that local participation on the global stage is increasing. Cities are taking on more responsibility and increasing global participation on a range of issues and economic development initiatives. If local governments hope to survive in a globally competitive economy, they will need to become more globally fluent, implement structural changes and carry out actions that will connect local economic activity to the global marketplace. This research sought to examine the changing behaviours and policies at the local level as a result of globalisation and an ever-pervasive global economy. The following key questions were considered: What are the behaviours of local elected officials that lend themselves to global participation? What are the policy structures of local government that lend themselves to global participation? What is the

interaction of policy and behaviour? What role do local entrepreneurs with global businesses play in local participation in the global economy?

This final chapter will summarise the conclusions of the research undertaken in this book on the critical questions that have been posed and will offer recommendations for local governments seeking to participate or begin a journey to participation in the global economy.

Specifically, the research reveals the impact on behaviours of local elected officials through an examination of local political leadership and by considering transactional versus transformational behaviours. In examining behaviours of local elected officials, it helps to understand why they engage in various activities, their motivation, and whom they feel they represent in carrying out their work. Motivation was analysed as to why a local elected official might maintain an inward focus of basic service provision and constituent needs or, conversely, why their focus may be more external, looking outside the local borough or city, and more internationally for solutions to local issues. Motivation was further broken down as being driven either by a sense of public or by political concentration. Exploring the idea of representation was undertaken to comprehend more broadly if the focus of activities was meant to impact specifically and solely on the borough or city, or on the political party, the nation as a whole, or perhaps a commitment to forwarding a set of global ideals.

Local policy structures were examined to understand how elected officials were participating in local-to-global activities by reviewing the types of new activities in which they were engaging. Specifically, policies were examined in which local elected officials felt empowered to act individually and engage in paradiplomacy or circumstances in which they acted collectively with other local elected officials through global networks.

The research sought to understand the impact of the two types of behaviour, transactional and transformational, when combined with the two types of local government policy structures, administrative-executor and legislative-activist, specifically, whether the resulting four dyadic permutations would lead to different outcomes in determining if a local area is more likely to participate in and benefit from the global economy.

Local entrepreneurs with “born global” businesses were examined as vehicles for economic growth: through both their activities and mind-set to build global businesses at the local level, but also along lines of operating structure and behaviour. Behaviour, in the form of postnationalism, was considered to understand why global entrepreneurs were inclined to build local businesses with global reach, rather than local businesses with

just local or national scope. Their motivation was also examined to understand how they civically participated at the local level and in their country of origin. Structure was considered through an examination of transmigration to understand how ethnic entrepreneurs set up “born global” companies with built-in global reach, and how alignment with global cities facilitated their activities.

The activities of local elected officials and ethnic entrepreneurs were compared with each other to assess interaction and coordination through the lens of “bottom-up” institutionalism. This was of particular interest where transformational local elected officials might be supporting and leveraging local-to-global entrepreneurs to help revitalise local economies.

In drawing conclusions on a local borough level of participation in global economic activities, the global fluency of each borough was assessed by developing a measure using Clark and Moonen’s *The ten traits of globally fluent metro areas* (2013) and using their descriptions. Specifically, those boroughs that had a high level of global adaptability, growth in new economic sectors, and an understanding of global economics and that were actively participating and benefitting from the global economy were considered “globally fluent”. Those which met several but not all the criteria and were actively working towards positioning themselves to participate better were considered “globally oriented”, and those with minimal understanding or global effort were “globally aware” or did not register on the scale. The analyses allowed the three London case study boroughs to be used as examples of the degree to which changing policy and behaviour at a very local level may lend themselves to an area’s global fluency, participation in a global economy and potentially, local economic revitalisation.

ADVANCING THE LITERATURE

The research conducted herein is based on a solid framework and history of research across different fields, including international relations, economics and politics. In particular, the exploration built on five areas of existing seminal research.

Firstly, when considering political leadership, Nye (2008) was used to detail and compare transactional and transformational styles of political leadership. The transactional style is represented in those working to maintain the status quo through dealings that are commonly accepted and embedded in the system. Transactional behaviour does not deviate significantly from an accepted norm of the roles and responsibilities within

the structure of the administrative-executor. The transformational style of leadership emerges from actions that seek to change the status quo. Transformational leaders often seek out new and innovative partnerships and dealings and are not confined by the structures within which they operate. Nye's work helped to reveal agency, or the "why" of the research conducted here, on local elected officials: firstly, whether a transactional or transformational style can help clarify their motivation and, secondly, the self-reflective question of whom the elected official feel they represent in carrying out their work at a global level.

Secondly, the work of Cerny (1990, 1997, 2010a, 2010b; Cerny & Evans, 1999), on transnational neopluralism, and of Sassen (1991, 2000, 2001), on global cities were used as frameworks to understand structure, or the "how", of the new activities in which local elected officials may now be engaged at the global level. Transnational neopluralism in a broader sense helps to explain the changes at the national level of government which are making state boundaries more permeable, thus allowing for multiple actors to operate on the global stage. This provided a lens through which to view how local elected officials access the global market and become political actors in their own right. Global cities, and Sassen's work to detail the emergence and processes of the global cities, help tie the "how" question closer to the local level by examining how global cities facilitate local actors to become international actors. Her framework is transposed here to smaller cities, namely London boroughs or smaller global cities, to examine if, in some respects, they are able to either follow in the footsteps of global cities or contribute to the broader make-up of global cities, and thus participate in the global economy.

Overall, the work of Nye, Cerny and Sassen was also advanced through considering each of the aspects of policy structure and behaviour together in a dyadic formation to help reveal the potential implications of globalisation at the local level. The research explores whether a transactional or transformational style of leadership is more conducive to connecting the local economy to global economic opportunities, and if a legislative-activist policy structure, rather than an administrative-executor policy structure, is better placed to enable the activity. This work examines whether the types of policy structures in which boroughs operate impact on the two types of political leaders. The outcomes of the four permutations of policy and behaviour were then considered.

A major driver for local participation at the global level is to seek solutions for local economic regeneration or vitality. Local entrepreneurs with

global businesses were considered in the research as one of the local economic drivers in this respect. In considering a similar framework of operating policy and behaviour, the research builds on two related areas of research: postnationalism and transmigration.

Thirdly, Soysal's (1994) framework for postnational participation, elucidating guest-worker rights, was used here to understand the motivation of local ethnic entrepreneurs and their desire to not only build global businesses but to specifically do so as members of a local community. The research builds on Soysal's postnational migrant theory to provide the context for "why" ethnic, or global, entrepreneurs are establishing local businesses with global reach.

Fourthly, to understand the structural component of "how" entrepreneurs are able to build successful local-to-global businesses, the work of Schiller, Basch and Blanc-Szanton (1992) on transmigration was used as a foundation. Just as Soysal's original research (1994) focused on migrant workers and their expanding postnational participation, the work of Blanc et al. focuses on migrants who maintain ties with both their host country and country of origin. Using their theory, the research expands the concept to help explain "how" local ethnic entrepreneurs are able to establish locally based, "born global" entities which tie a local economy to the global economy.

Lastly, recent research by Clark and Moonen (2013) on global fluency traits of local metro areas was used horizontally across the research to determine what each combination of policy and behaviour would look like in relation to engagement at the global level. According to their work, metropolitan areas that are globally fluent, as opposed to globally aware or globally oriented, may have achieved the highest integration into the global economy. The research builds on this work by developing a metric to understand the extent to which the changing policies and behaviours at the local level indicates a connection to global fluency and therefore participation in a global economy for local leaders.

Based on the existing works described above, the new research encompasses three primary areas as they relate to globalisation: understanding behaviour and structure in local elected officials; understanding behaviour and structure in local, global entrepreneurs; and case studies to provide a practical picture of what these changes look like in local boroughs and other global cities, and thus their connection to global fluency.

Local entrepreneurs, all CEOs of companies based in central or East London and operating in the global marketplace, were interviewed. They

answered questions related to behaviour and operating structure, including their motivation to “go global”, the ways in which they are able to reach out to a global marketplace and their personal and social motivations and connections to both their homeland and current country of residence.

OUTCOMES OF THE RESEARCH

Irrespective of past and present circumstances, all three of the UK boroughs studied are currently facing some level of fiscal challenge in the current era of austerity and globalisation. Nonetheless, some seem to be faring better than others.

The local elected official interviews revealed that transactional leaders in local government are no longer able to maintain the status quo of local services. The devolution agenda, coupled with budget cuts, means that even the most diligent of transactional public servants are, at a minimum, “robbing Peter to pay Paul” in an effort to maintain basic services. Their options for funding sources generally include ever-diminishing central government support or traditional grant options. Their behaviour of seeking outmoded funding mechanisms initially led to the cutting of “non-essential” services such as leisure centres, community centres, and youth activities, and now veer into more essential service cuts. In the three London case study boroughs, 7 transactional elected officials were identified out of the 13 interviewed. They were mostly found in administrative-executor structures; for example, all five of the local councillors interviewed in Barking & Dagenham, a local authority with an administrative-executor structure, displayed transactional behaviour.

Transformational local elected officials indicated that they face the same gloomy outlook and budget cuts, but are undertaking alternative measures to try to keep services running. Especially for those in local authorities with a legislative-activist structure, such as Hackney, their tactics indicate some initial successes. They have sought creative solutions for land and building space, for example, turning part of a library that is facing imminent closure into a business incubator to increase traffic and use of the library, and encouraging entrepreneurial business ventures that may boost the local economy. Transformational leaders have also sought EU funding and grant money as part of collaborative third-sector bids to fund local services. Some of the transformational leaders supported entrepreneurial ventures which subsequently led to global contracts for the businesses, as well as recognition and interest in the borough overall.

Six of the 13 local elected officials interviewed in the case study boroughs were deemed to be transformational. These transformational leaders were found more prominently in legislative-activist structures; for example, four of the five councillors interviewed in Hackney displayed transformational behaviour.

The concept of leadership behaviour as either transactional or transformational was further explored through elected officials' motivation as well as their reflections on constituent representation. Two types of behaviour as motivation were revealed and were found to be related to either a personal political agenda, in which the local elected official aspired for higher office, or a public service motivation with a desire solely to serve and better the life circumstances of the constituents in the city, ward or borough. Six of the seven transactional local elected councillors displayed a public service agenda, whilst five of the six transformational officials revealed a political agenda as their primary motivation.

Representation was presented as a reflection of whom the councillor felt they were carrying out the activities of their work. Four types of representation models were revealed: local, national, political party and global. Transactional elected officials tended to demonstrate representation of their local ward or borough and believed that their work should have a direct one-to-one impact on their constituents alone. Three of the transactional officials displayed a broader intention of national representation in that the work they undertake on a local level should have positive implications for the country overall. Four of the transformational elected officials were driven by representation of their political party. They believe the work they undertake will advance the agenda and standing of their political party and of themselves within it. Two of the transformational officials felt their local work was a representation of a broader set of ideals, generally based in a view of global activities, for example, how the local borough can contribute to climate change mitigation through local bike schemes, as in Hackney, or how they can recruit alternative energy companies from abroad to power local council estates with solar energy, as in Tower Hamlets.

All four types of representation may be bolstered through positive public opinion of local government, both in the UK and abroad, which indicates that the public has a severe distrust in national government and a greater level of trust in local government. This trust has enabled the councillors to pursue their individual motivations with local support irrespective of

whether their agenda is political or public service focused and regardless of representation of local, national, political party or global ideals.

In terms of policy structure, the research indicates that the administrative-executor type policy appears unable to facilitate any significant local revitalisation in the current austerity era. There is simply no structural capacity for anything other than the triage of local services. Amidst cuts, these boroughs have no opportunity to forward plan any economic development initiatives that might lead to a recovery. Within the administrative-executor policy structure of Barking & Dagenham, four of the five councillors were not undertaking any new types of activities, but simply those existing, inwardly focused, actions to maintain the status quo. One councillor was participating in EU level groups but was unable to connect the learning with her work on the local level.

The legislative-activist policy structure examined here appears to show some initial indications of success. The policy comprised four out of five transformational local elected officials in one borough. The one transactional councillor resigned his elected position to undertake a civil service position that prohibits political activity. He is ranked as having public service motivation alongside local representation and did not engage in any new economic activity on the global level; given his agency profile, it may be unsurprising that he left his elected position for a civil one. Of the other elected officials within the legislative-activist structure of Hackney, three engaged in group global activities and one engaged in individual global activity.

Where there is a mixture of legislative-activist and administrative-executor policy structure and transactional and transformational agency, as in Tower Hamlets, the three elected officials interviewed showed variations on motivation, representation and engagement in new activities. There was one transactional and two transformational councillors: one representing a national agenda and two representing a party agenda, two engaging in individual new activities, and all three motivated as political servants. These results are also not surprising given the turmoil, political corruption (as indicated by legal procedures) and party divisiveness found within the borough.

Looking at a cross-section of policy and behaviour in each of the three boroughs provides the conceptualisation from which conclusions can be drawn. Barking & Dagenham is strongly administrative-executor in structure. Most of its councillors are transactional and do not engage in any type of new activity. The motivation is strongly along the lines of

public service whilst motivation is firmly local or national. The borough has set low 15-year economic development goals and primarily hopes to lure those priced out of central London to live in Barking & Dagenham and commute to work elsewhere. The administrative-executor structure and transactional agency reinforce and support each other, but only to attempt to maintain the status quo. Significantly, they have far fewer small and medium businesses than Hackney or Tower Hamlets, thus an equally low number of global entrepreneurs. What the policy and behaviour are reinforcing is a system in which no meaningful movement is being created towards economic revitalisation or engagement in a global economy.

Tower Hamlets (research conducted under Mayor Rahman's administration) is further ahead in economic activity and regeneration than Barking & Dagenham; however, it has not yet positioned itself to fully take advantage of the activities in the global economy, even given its touted financial district, Canary Wharf, which operates in isolation of the other borough activities. Due mainly to its political situation of having several political parties at odds with each other (in 2014), it exhibits traits of both an administrative-executor and legislative-activist policy structure. Concomitantly, its councillors engage in some new economic activity but on a solely individual, not group, level. It has transactional and transformational local officials who feel they represent both the party and national agenda but all are driven by political motivation. However, given the amount of turmoil and conflicting types of policy and behaviour, they, in effect, act to cancel each other out and do not help the borough make progress in gaining global fluency or effective economic development. This may also mean they will not be able to actively facilitate the local small and medium businesses to participate in local-to-global economic activities.

The conceptualisation of policy and behaviour in Hackney represents the combination of legislative-activist structure and transformational agency. Within agency, the local motivation is split between public and political servant, whilst representation is also split between political party and global ideals. The borough has joined forces with local third-sector organisations to secure EU-level funding for several programmes. Additionally, Hackney's branding efforts have led to international recognition as one of the "world's coolest neighbourhoods" (Italian Vogue, 2014). The legislative-activist policy structure has been shown to support and encourage the activity of transformational leaders operating to represent the borough on the global stage. Hackney has also taken a financial

risk of participating in several global technology business forums to both seek local investment for existing entrepreneurs and entice new global ventures to re-locate within the borough. Their outreach to a global marketplace appears to be linked to an increase in local entrepreneurial businesses, increased educational attainment, global recognition and interest in the borough, and an investment from collaborative partnerships. Whilst the numbers are similar to those in Tower Hamlets, Hackney is actively working to engage small and medium businesses in their local-to-global efforts, which means there is an increased likelihood of entrepreneurs with “born global” businesses contributing to the revitalisation of Hackney. The combination of transformational leadership and legislative-activist policy appears to be contributing to Hackney’s economic revitalisation.

The research also revealed that local entrepreneurs with global companies are in a unique position to connect local economies to global markets. They display postnational agency, or behaviour, which demonstrates an instinct to create “born global” companies, with each entrepreneur often creating more than one over their business lifetime. Identity varied between first- and second-generation ethnic entrepreneurs. First-generation ethnic entrepreneurs maintained a visible connection to their homeland and positioned themselves as “ethnic” entrepreneurs, whilst second-generation ethnic entrepreneurs did not attach their ethnicity to their business ethos; they see themselves as entrepreneurs, global young leaders and innovators first. They all indicated a strong motivation for local civic participation.

Within their operating structure, first- and second-generation ethnic entrepreneurs in a more technologically and transportation-connected world display transmigrant properties; they establish a strong foothold in their host country as well as maintain ties to the countries of origin. The entrepreneurs who were interviewed discussed their connections to the global market as one of a vast global network of family and friends ever expanding further afield. The effect on operating structure is three-fold. Firstly, they build local businesses with global reach from “day one”. Secondly, they build companies with a local physical presence but provide global connectivity to their solutions and products. These local companies collaborate with each other as well as position themselves as unofficial partners to global corporations. Thirdly, their targeted markets are global cities, not countries. The entrepreneurs believe that cities position the businesses to interact with each other and allow a more personal interaction with their customer, even if the customer is global. The second and third effects also combine to create a unique outcome: ethnic entrepreneurs

use globalisation to create virtual global solutions that physically manifest themselves in personal interactions at the local level. In this way, entrepreneurs are able to leverage their relationships with each other to seek opportunities for everyone and to bring it right back down to the local area. Instead of globalisation creating geographically disparate people and organisations operating in a virtual global marketplace, these entrepreneurs have transmigrant connections to build global companies with local and in-person connections, reminiscent of the early Middle Eastern bazaars which were physical locations in cities of global merchants.

Although local entrepreneurs with global companies may have a positive impact on local economies and assist in expansion to the global marketplace, it also appears that they are not, for the most part, coordinating their efforts with local elected officials or vice versa. There was limited effort in some areas; one positive example was Hackney's inclusion of entrepreneurs in the establishment of the Tech City, and its coordination and facilitation of small and medium business incubators.

In general, the entrepreneurs articulated a distrust of elected officials and government programmes. The entrepreneurs interviewed felt they were not engaged in, or the beneficiaries of, any government programmes to build up local businesses. This appears to be a missed opportunity on both sides. Local boroughs need to have a resource that is appealing to a global market and that has a unique selling point. Global entrepreneurs are increasingly playing this role in new economic sectors in local areas, with or without the coordination of local elected officials. Whilst the latter frequently talked about creating more entrepreneurial-focused business communities in their areas, they failed to make the connection that ethnic entrepreneurs in new economic sectors have built-in, transmigrant networks and tend to create "born global" companies. For example, Hackney Councillor Jonathan McShane, when asked about the role of ethnic entrepreneurs in the community, expressed a mode of thinking of the ethnic entrepreneur as the middleman and niche service provider, commenting that several new Turkish restaurants were contributing to the local economy by renovating spaces and opening in the city centre (J. McShane, personal communication, McShane Interview, Conducted by Amy Hochadel, 2012).

Nevertheless, there are direct similarities and correlations between the local elected officials who are operating on the global stage and entrepreneurs who are building local-to-global organisations. They both exhibit transformational behaviours, for example, seeking creative partnerships

and engaging with global corporations; as well as leveraging legislative-activist policy structures, for example, aligning their efforts and businesses to new economic sectors of global cities and the global economy. They also appear to be reinforcing each other regardless of the fact that their efforts are minimally coordinated. Their concurrent (whilst uncoordinated) efforts appear to support Cerny's transnational neopluralism argument for bottom-up institutionalism:

Globalization impacts upon governance by altering the deeper structures which underlie governance processes and mechanisms, altering various conditions or parameters which affect the likely mix of hierarchy, market and network—whether in terms of socio-cultural structures, economic production and consumption, or political processes and structures. (Cerny & Evans, 1999, p. 188)

In comparing the behaviour of transformational local elected officials and transmigrant entrepreneurs, several complementary similarities emerge. The transformational local elected official is driven by a belief in a political party allegiance as well as having a commitment to a set of global ideals. They feel that solutions to local issues may be found on the global stage and these solutions will not only help the people who elected them but will also serve the general good of the political party and a broader set of global ideals to which the borough contributes; one example being climate change mitigation efforts. Transmigrant, local-to-global entrepreneurs are driven by an instinct to create and to leverage their global work to serve both their local area as well as their country of origin or a broader set of global ideals to help people; for example, Dr Khatib's belief that if Medopad has created a solution to an issue that is faced by hospitals and patients around the world, and that he has a moral obligation to share this solution widely (Khatib, personal communication, Khatib Interview, Conducted by Amy Hochadel, 2014).

Within their operating structure, transmigrant ethnic entrepreneurs and transformational local elected officials are working within the same structures. Both are working on a premise that their closest allies, clients, or target markets are global cities, and not countries. They are seeking to align themselves with global cities to benefit from the new economic sectors emerging within those global cities, as well as to create personal connections to drive their work. Similarly, both groups are leveraging individual and global networks to seek solutions and create personal connections to

grow both their businesses and their commitment to global ideals. They also use global cities as a “launching pad” to create those local-to-global connections. For example, Jose Neves of Farfetch.com grows his business by connecting local boutique fashion designers in London to those in Milan and Barcelona but does not target all of Italy or Spain as a potential marketplace (J. Neves, personal communication, Neves Interview, Conducted by Amy Hochadel, 2014).

This research thus provides a strong argument in favour of Soysal’s hypothesis on where postnationalism may lead to over time:

Independent of country-specific characteristics, over time, we should expect the distance between citizens and resident non-citizens to narrow in terms of their formal rights, whether expanding or contracting. This distance should be even shorter between citizens and the European Union migrants given the extra layer of rights arrangements the EU provides. (Soysal, 2012, p. 50)

These activities by both transformational local elected officials and transmigrant entrepreneurs reinforce Cerny’s argument that “globalization both entails, and is itself driven and shaped by a process of the still uneven, but increasingly crosscutting, pluralisation of world politics” (2010a, p. 8). The activities occurring at the global level reinforce his position that globalisation itself encourages multiple actors, which, in turn, creates a more pluralistic form of growing and intertwining of the political landscape. In other words, it reinforces the theory that globalisation drives pluralistic participation which drives and in turn shapes globalisation itself.

Other variables can also play a significant role, impacting on whether a transformational behaviour and legislative-activist policy will succeed in the long term. A significant global economic downturn would inevitably impact detrimentally on a local borough that hopes to rely on global business contracts to achieve recovery. This is particularly true in Tower Hamlets which relies heavily on its global financial industry as a means of potentially lifting other economic aspects of the borough.

Public opinion, which may also play a significant role in local success, has always been a fickle beast to tame. At any time, and for a variety of reasons, public opinion has been shown to shift significantly. A political personality has the ability to influence public opinion; for example, whether people loved or hated Boris Johnson as Mayor of London (2008–2016), he has had a significant ability to impact public opinion in Londoners.

Public opinion of participation in European Union and global activities could also impact a local borough's plans for economic diversification.

Issues of international safety and terrorism may unexpectedly impact on a local borough's plans for investment. This may be the case whether their economic future is tied to a specific geographic location or a specific industry, for example, aviation or energy, which might be targeted or unexpectedly impacted by acts of global terrorism. Terrorism may also occur online and have significant impact on new technology economies. Local boroughs are taking a calculated risk by engaging in new markets or products that might make them vulnerable to other precarious activities on the global level. But, for the transformational local leader, there is no option between taking the risk and attempting to maintain the status quo—they take the risk.

Climate change is an issue that local boroughs may be able to mitigate locally but they have little control of its broader implications and its impact on geographic areas and industry sectors. For example, agricultural investments and businesses with a large stake in the water industry could be significantly affected in a time of unexpected drought or natural disaster.

The issue of corruption has had significant and direct impact on the research undertaken here. During the course of the research, the borough of Tower Hamlets was involved in a corruption case surrounding its now deposed mayor, Lutfur Rahman. Rahman was accused by local residents and the Secretary of State for Communities and Local Government, and found guilty by the UK High Court (2015), of election fraud involving misuse of public funds and voter intimidation through playing the “race card” with Bangladeshi and Muslim voters. The then deputy Mayor Oliur Rahman (no relation) declared himself the temporary Mayor, and then was himself removed on a technicality of civil servants, through his primary employment with the UK Job Centre Plus, being barred from holding political office. In a re-election in June 2015, John Biggs, a Labour Party member, won a narrow majority against the Tower Hamlets First Party candidate to become the new Mayor of Tower Hamlets. The implications for both parties and future actions in the borough are yet to be known. Nonetheless, Tower Hamlets would be considered globally oriented in the research conducted here and could be well placed for local revitalisation through increased global participation if other variables can be overcome.

CONCLUSION

In seeking to test the hypothesis of which behaviour plus policies are best positioned to contribute to revitalisation through connecting the local economy to the global economy, the research here found that there is the potential for positive economic outcomes in local areas that encourage transformational leadership and facilitate it through legislative-activist policies. The research presents positive indicators that the dyadic arrangement of transformational leadership and legislative-activist policies are likely to connect a local economy to opportunities in the global economy, which also shows positive indicators for local economic vitality. Further, within behaviour, it appears that a politically motivated agenda advances local globalisation to a greater extent than a purely public servant agenda. Similarly, the concept of representation of both a political party and global ideals connects the local to the global with greater frequency than a local or national representation focus.

The three boroughs studied here and the additional cities examined have provided a preliminary opportunity to use Clark and Moonen's "Ten Traits" (2013) in smaller cities to measure this potential. The original "Ten Traits" were developed to be a higher-level gauge to understand the placement of a broad metro area, such as Greater London, New York or Tokyo, within the concept of global fluency. The research here indicates that these "Ten Traits" may also provide a window into smaller areas and new global cities. They may help explain and guide which geographical areas in particular are adding to the success of a global city and which may be emerging. The 'Ten Traits' can also provide a picture of the building blocks that create global cities and, at the same time, indicate the likelihood of smaller local areas setting up policies and participating in activities that can drive local economic development by connecting the local and global market.

Barking & Dagenham, which has transactional leadership and administrative-executor structure, ranks low on the global fluency scale. It steadfastly retains its administrative-executor structure that no longer serves the basic needs of the local constituents, and it reinforces transactional behaviour of local elected officials who, to their credit, continue to work tirelessly within the existing system. Tower Hamlets, with a mixture of both transactional and transformational leadership as well as a policy that falls towards the midpoint of being either an administrative-executor or a legislative-activist, ranks as globally oriented on the scale for global fluency. It has positioned itself to take advantage of global economic

activity, but a number of factors have prevented it from effectively moving forward. Firstly, the deposition of the former Mayor, Lutfur Rahman, had placed any significant activity on hold as the borough transitioned to a new mayor and a different political party in the majority. Secondly, Tower Hamlets' area of specialisation is semi-limited to the finance sector and it inextricably relies on the health of the global economy to trickle down to economic recovery in the borough, which might prove a tenuous position to be in. Finally, it has not yet achieved the demographic shift in its population to move it towards global fluency. Tower Hamlets would need to increase its educational attainment, encourage and support more local entrepreneurship in new economic sectors, and attract more permanent residents with a broader range of professional qualifications in new economic sectors to both live and work in Tower Hamlets.

Of the three boroughs, Hackney ranks highest on the global fluency scale, and appears to be on the verge of being a globally fluent local area, and perhaps could be categorised as such already. Hackney has both a significant number of transformational leaders, including Mayor Jules Pipe, and a legislative-activist policy structure. Local councillors are both encouraged and supported in their "out-of-the-box" thinking and approach to local economic development. It has been able to evolve from its wood and furniture manufacturing base, navigate through financial insolvency and position itself as a culturally diverse and sought-after place to live and work. Hackney has specifically worked to market itself and its existing technology industry as a global destination for technology start-up companies. It has seen a significant shift in its demographics towards more professional long-term residents who also possess higher educational and professional qualifications in new economic sectors, such as technology, design and architecture. It has fostered economic diversification beyond the technology industry in establishing an art and fashion sector that is connected to global fashion corporations and the global fashion market. The transformational activities undertaken, and the legislative-activist policy structure which has facilitated the actions, seem to have positioned Hackney for economic revitalisation through direct participation in the global economy.

The activities explored in the research reinforce Cerny's argument for bottom-up creation of institutionalism through transnational neopluralism by exposing the rapidly increasing work undertaken by local elected officials on the global stage (2010b). A comparison of the activities of local elected officials and transmigrant entrepreneurs engaging in global

economic activity lends credence to Soysal's hypothesis (2012) that rights between citizens and non-citizens will continue to narrow in a more interconnected economy.

However, these activities do not happen in a vacuum. They must always be considered within a wider scope of the political, economic, social and cultural landscape. Inevitably, there will always be an element of risk and variables that cannot be controlled. Local boroughs will have to determine if they are willing to undertake, and to what extent, that risk. Those areas that are firmly established in transactional style and administrative-executor structure may also find it difficult in the short-term to change their course. Practically, a major shift in the structure of local government is not an easy or quick undertaking. Government bureaucracy can and, in some cases, is designed to slow down the pace of change by providing a series of check and balances. Most elected officials will not suddenly shift from a transactional style of leadership to transformational; this is most likely to occur by replacing elected officials over a series of local elections. Barking & Dagenham provides an example of a borough that, over the course of 20 years, has attempted to maintain its traditional transactional style and administrative-executor structure. As a result, the borough has kept its attention inward-looking and has not attempted to create new economic opportunities with global reach. This has left it in a continuous state of economic decline. Hackney provides a good example of a borough that, over the course of 20 years, has made the shift from transactional and administrative-executor to transformational and legislative-activist and may provide a model for how other boroughs may undertake the change. However, not long ago, Hackney was in the same position as Barking & Dagenham is now; and Tower Hamlets is in a similar position today as Hackney was recently. Change is possible where there is a deliberate focus on the right economic initiatives facilitated by local elected officials, local government and inclusion of local entrepreneurs who are willing to take the necessary risks to connect a local economy to the global economy. Unfortunately, there seems to be few other options than to "sink or swim" in the era of austerity and globalisation.

RECOMMENDATIONS

Through the course of this research, several behaviours and actions have emerged that explain how some cities have transitioned towards transformational leadership and legislative-activist policies in order to participate

in local economic development opportunities at the global level. The research has highlighted trends in the behaviours and policies that cities are using to engage at the global level. Any city, large or small, may make the decision to act on the global stage, and in doing so, they may wish to become as globally fluent as possible to maximise local economic development benefits.

Three of the emerging trends have been translated here to practical behaviour and policy actions that local leaders can immediately implement:

1. develop a local-to-global economic innovation roadmap,
2. join appropriate global networks, and
3. foster an open and transparent form of city government to empower local transformational leaders.

Firstly, city leadership can (and should) develop a local-to-global economic innovation roadmap. This will lay out the city's unique path towards greater global fluency. Cities can identify specific traits, based on Clark and Moonen's (2013) *Ten Traits*, and identify specific issue areas they wish to either explore or pursue. For example, a city may decide to capitalise on existing academic institutions to coordinate a "Culture of Knowledge and Innovation" with a focus on technology and entrepreneurship. An example of this type of policy and behaviour is currently occurring in Sharjah in the United Arab Emirates. Sharjah is a "bedroom" community to Dubai where many "working class" people live and commute the hour into Dubai each day. Sharjah is seeking to distinguish itself from Dubai as a place to both live *and* work by establishing an economy based on innovation and entrepreneurship. The Sharjah Investment and Development Authority (Shurooq), led by His Excellency Marwan bin Jassim Al Sarkal, has fostered nascent foundations in the technology and innovation markets with budding entrepreneurs, alongside larger business activities by the banking, airline and mobile technology industries. The economic triangulation includes the local government in the form of Shurooq, an academic partner in the American University of Sharjah Enterprises and entrepreneurial hubs like Sheraa. Shurooq then works to connect the government, academic, entrepreneurial and private sectors to foster the "Culture of Knowledge and Innovation" across the areas it wishes to grow. The result for Sharjah has been year over year economic growth and a growing global brand distinct from Dubai. Shurooq and Al Sarkal have worked across government to create a roadmap to a globally

fluent economic future. Whilst Sharjah's leadership is not an elected one, it has sought to bring in global leadership to transform the way the future of Sharjah's government is shaped so to best encourage an open space for innovation and entrepreneurship, as recently highlighted by the Sharjah Forum:

Held under the theme of 'The Future of Sharjah', the Sharjah Forum discussed ways to develop the emirate's innovation and entrepreneurship ecosystem, create a sustainable knowledge-based economy and continue to grow key industrial sectors.

Guest speakers at the forum included Jared Cohen, Founder of Google Ideas, President of Jigsaw and Chief Advisor to Alphabet Executive Chairman Eric Schmidt and Alec Ross, a Distinguished Visiting Fellow at Johns Hopkins University and the author of the *New York Times* bestseller *The Industries of the Future*.

The past 2 years has seen the Sharjah government intensify efforts to attract and encourage entrepreneurs and investors and to develop Sharjah's knowledge economy. (Shurooq, 2017)

Cities wishing to form a local-to-global economic roadmap will need to act independently from national government and with a broad base of stakeholders. They will need to detail the types of global connections the city should have by undertaking a "smart city" forward review process and defining the types of global engagements that are feasible. To be effective and trusted by the citizenry, these types of new policies need to be openly co-designed by local elected, civic, business and community leaders. From a practical and realistic, forward review and subsequent roadmap, the city can draw up action steps for how to proceed. It is also important for cities to create "progressive" roadmaps, meaning their plans should be measured and implemented over time. A city will not be able to become globally fluent in all "Ten Traits" in a short period of time and, indeed, will most likely only want and need to tackle a few to reach a level of global fluency that works for them. Ideally, cities should identify their top three areas to start and plan for additional, larger actions over time.

A second policy recommendation for local leadership pursuing global ties would be to undertake the activity of establishing physical links with global networks. Research has shown that joining these types of groups might have more impact than attempting to operate alone to pursue local-to-global connections. For example, The Global Parliament of Mayors offers a governance body through which local mayors can engage at the

global level as a group with more power to influence global bodies such as the United Nations, and the Organisation for Economic Co-operation and Development. The organisation is looking at the impact of global issues on local cities such as climate resiliency, migration and increasing urbanisation. Together, these mayors can take action that advances critical global issues with local impact with more expediency and practicality than nation-to-nation diplomatic efforts.

Local leaders should assess their roadmap for how they want to enhance their global fluency and look to engage with global networks that will help make the most appropriate global connections whilst also offering a platform as part of a network of local cities with more leverage. The Mayors of Paris and Rio de Janeiro have used the global cities network, C40, to address the impact of global climate change. The network of cities has significant influence on national agreements such as the Paris Agreement on Climate Change, which aims to cap rising temperatures at 2.0°C and has now been signed by over 175 nations (2016). However, cities should also be sure to connect their global work back to their local economy, so cities that join a network such as C40 and who hope to influence climate change may also, for example, be looking to develop a local economy that promotes green technology innovations and entrepreneurs that can develop economic activity in this sector. Cities also use these networks as a source of global knowledge pooling, for example, learning how cities can decrease local budget expenditure by creating more energy-efficient public infrastructure projects.

Finally, city leaders, whether elected, business or civic leaders, should seek to foster an open and flexible innovation economy. The city leadership should actively encourage and promote its members to engage at the global level. The policies can be “hard”, meaning embedded and documented—as in appointing or assigning a global economic development lead or a Chief Innovation and Technology Officer, hiring global partnerships staff, or registering and engaging in staff activities such as the EU lobbying registry and associated opportunities. Policies can also be “soft” as in facilitating the types of partnerships and relationships across government, entrepreneurs, academia and the private sector that positions the city as open and transparent to new ways of working. “Soft” policies can also be represented by the public activities that a local elected official undertakes or promotes for the city and the tactics they use to bring people into the fold and be the visionary leader that people want to follow and

engage with—harking back to Max Weber’s (1930) “Charismatic Hero” type of leader.

The city of Helsinki offers an example of innovative and transparent policy at the local level that encourages innovation through open data.

At the same time these datasets are going regional, they’re also going “open.” Helsinki Region Infoshare publishes all of its data in formats that make it easy for software developers, researchers, journalists and others to analyze, combine or turn into web-based or mobile applications that citizens may find useful. In 4 years of operation, the project has produced more than 1000 “machine-readable” data sources such as a map of traffic noise levels, real-time locations of snow plows, and a database of corporate taxes.

All of this has put the Helsinki region at the forefront of the open-data movement that is sweeping cities across much of the world. The concept is that all kinds of good things can come from assembling city data, standardizing it and publishing it for free. Last month, Helsinki Region Infoshare was presented with the European Commission’s prize for innovation in public administration. (Sulopuisto, 2014)

Many cities are currently struggling in a tough economic environment. But some cities are also reinventing themselves and thriving in a new local-to-global economic environment. These cities have seemingly shrugged off the mantle of national government oversight and direction and have ventured out on their own to forge a path to economic recovery. Some have tried new policy structures and some have charismatic leaders. But there does seem to be a fruitful combination of both policy and behaviour that is gaining them traction on the global stage. As more and more areas look for opportunities for self-sustaining economic mechanisms, they might consider adopting a plan for achieving the various components of global fluency which is more likely to occur in a legislative-activist structure driven by transformational leaders.

REFERENCES

- Cerny, P. (1990). *The changing architecture of politics*. London: Sage.
- Cerny, P. (1997). Paradoxes of the competition state: The dynamics of political globalization. *Government and Opposition*, 32(2), 251–274.
- Cerny, P. (2010a). The competition state today: From raison d’Etat to raison du Monde. *Policy Studies*, 31(1), 5–21.
- Cerny, P. (2010b). *Rethinking world politics*. New York: Oxford University Press.

- Cerny, P., & Evans, M. (1999). *New labour, globalization, and the competition state* (Working Paper No. 70). Cambridge, MA: Center for European Studies, Harvard University.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Italian Vogue. (2014). Global street style report: Mapping out the 15 coolest neighborhoods in the world [online]. Retrieved from <http://www.vogue.com/slideshow/fifteen-coolest-street-style-neighborhoods#1>
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.
- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.
- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- Schiller, N. G., Basch, L., & Blanc-Szanton, C. (1992). Transnationalism: A new analytical framework for understanding migration. In N. G. Schiller, L. Basch, & C. Blanc-Szanton (Eds.), *Toward a transnational perspective on migration* (pp. 1–24). New York: New York Academy of Sciences.
- Shurooq Editor. (2017). Government leaders convene to discuss economy [online]. Sharjah Update. Retrieved from http://www.sharjahupdate.com/2017/01/government-leaders-convene-to-discuss-economy/?utm_source=2017-01-12-Sharjah-Update&utm_medium=Email&utm_campaign=2017-01-12-Sharjah-Update&utm_source=Sharjah+Update+Email+List&utm_campaign=ebbf0c38fc-EMAIL_CAMPAIGN_2017_01_11&utm_medium=email&utm_term=0_611cb9b995-ebbf0c38fc-246327793
- Soysal, Y. (1994). *Limits of citizenship*. Chicago, IL: University of Chicago.
- Soysal, Y. N. (2012). Citizenship, immigration, and the European social project: Rights and obligations of individuality. *The British Journal of Sociology*, 63, 1–21. doi:10.1111/j.1468-4446.2011.01404.x.
- Sulopuisto, O. (2014). How Helsinki became the most successful open-data city in the world [online]. *The Atlantic Citylab*. <http://www.citylab.com/tech/2014/04/how-helsinki-mashed-open-data-regionalism/8994/>
- Weber, M. 1930 [1904]. *The Protestant ethic and the spirit of capitalism* (Talcott Parson, Trans.). New York: Charles Scribner's Sons.

REFERENCES

- Acuto, M., & Khanna, P. (2013). Nations are no longer driving globalization cities are [online]. *Quartz*. Retrieved February 1, 2014, from <http://qz.com/80657/the-return-of-the-city-state/>
- Adonis, A. (2014). *Mending the fractured economy: Smarter state, better jobs*. *The Adonis Review*. London: Policy Network.
- Aldrich, H., & Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16(1), 111–135.
- Ashraf, S. (2012). Ashraf interview. Conducted by Amy Hochadel.
- Avolio, B. (1999). *Full leadership development*. Thousand Oaks, CA: Sage Publications.
- Bache, I. (1998). *The politics of European Union regional policy*. Sheffield, England: Sheffield Academic Press.
- Bache, I., & Flinders, M. (2004). *Multi-level governance*. Oxford: Oxford University Press.
- Bagwell, S. (2008). Creative clusters and city growth. *Creative Industries Journal*, 1(1), 31–46.
- Baker, A., Hudson, D., & Woodward, R. (2005). *Governing financial globalization*. London: Routledge.
- Barber, B. (2012, Winter). Can cities save us? *RSA Journal*, 2012, 20.
- Barber, B. (2013). *If mayors ruled the world*. New Haven, CT: Yale University Press.
- Barrett, G., Jones, T., & McEvoy, D. (2003). United Kingdom: Severely constrained entrepreneurialism. In R. Kloosterman & J. Rath (Ed.), (1st ed., 101–122).

- Barrett, G., Jones, T., & McEvoy, D. (2003). United Kingdom: Severely constrained entrepreneurialism. In R. Kloosterman & J. Rath (Eds.), *Immigrant entrepreneurs: Venturing abroad in the age of globalisation*. Oxford: Berg.
- Bartholomew, E. (2015). Plug pulled on Hackney' SXSW tech trade venue. *Hackney Gazette* [online]. Retrieved July 2, 2015, from http://www.hackneygazette.co.uk/news/plugin_pulled_on_hackney_s_sxsw_tech_trade_venue_1_3978880
- Bass, B. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Bass, B., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly*, 10(2), 181–217.
- Bass, B., & Stogdill, R. (1990). *Bass & Stogdill's handbook of leadership*. New York: Free Press.
- Baugh, J. (2012). Castro wraps up London trip [online]. *San Antonio Express-News*. Retrieved January 31, 2014, from <http://www.mysanantonio.com/business/article/Castro-wraps-up-London-trip-4055075.php>
- Baumgartner, F., & Leech, B. (1998). *Basic interests*. Princeton, NJ: Princeton University Press.
- BBC One. (2014). Panorama: The Mayor and our money [video]. Retrieved August 24, 2015, from <http://www.bbc.co.uk/programmes/b04044km>
- Beauregard, R. (1995). Theorizing the global-local connection. In P. Knox & P. Taylor (Eds.), *World cities in a world system* (1st ed., pp. 232–248). Cambridge, UK: Cambridge University Press.
- Blake, G., Diamond, J., Foot, J., Gidley, B., Mayo, M., Shukra, K., et al. (2008). *Community engagement and community cohesion*. London: Joseph Rowntree Foundation.
- Bonacich, E. (1973). A theory of middleman minorities. *American Sociological Review*, 38(5), 583.
- Borjas, G. (1986). The self-employment experience of immigrants. *The Journal of Human Resources*, 21(4), 485.
- Borraz, O., & John, P. (2004). The transformation of urban political leadership in Western Europe. *International Journal of Urban and Regional Research*, 28(1), 107–120.
- Bragg, B. (2010). How Barking and Dagenham saw off the BNP. *The Guardian*. [online]. Retrieved July 15, 2013, from <http://www.theguardian.com/commentisfree/2010/may/07/bnp-barking-dagenham-billy-bragg>
- Brenner, G. A., Filion, L. J., Menzies, T. V., & Dionne, L. (2006). Problems encountered by ethnic entrepreneurs: A comparative analysis across five ethnic groups. *New England Journal of Entrepreneurship*, 9(2), Article 5. <http://digitalcommons.sacredheart.edu/neje/vol9/iss2/5>
- Brenner, N. (1998). Global cities, glocal states: Global city formation and state territorial restructuring in contemporary Europe. *Review of International Political Economy*, 5(1), 1–37.

- Brown, P., & McNaughton, R. (2003). Cluster development programmes: Panacea or placebo for promoting SME growth and internationalization. In *Globalization and Entrepreneurship: Policy and Strategy Perspectives* (p. 106). Cheltenham: Edward Elgar.
- Bunt, J. (2014). Revenue and capital budgets [online]. *Barking and Dagenham: Barking and Dagenham*. Retrieved March 23, 2015, from <https://www.lbbd.gov.uk/wp-content/uploads/2014/11/Summary-budget-book-2014-15.pdf>
- Burns, J. (1978). *Leadership*. New York: Harper & Row.
- Cafruny, A. (2015). European integration studies, European Monetary Union, and resilience of austerity in Europe: Post-mortem on a crisis foretold. *Competition and Change*, 19(2), 161–177.
- Callinicos, A. (1994). *Marxism and the new imperialism*. London: Bookmarks.
- Callinicos, A. (2009). *Imperialism and global political economy*. Cambridge, UK: Polity Press.
- Canary Wharf Group Place. (2014). History of Canary Wharf [online]. Retrieved December 12, 2014, from <http://group.canarywharf.com/>
- Cerny, P. (1990). *The changing architecture of politics*. London: Sage.
- Cerny, P. (1997). Paradoxes of the competition state: The dynamics of political globalization. *Government and Opposition*, 32(2), 251–274.
- Cerny, P. (2010a). The competition state today: From raison d'Etat to raison du Monde. *Policy Studies*, 31(1), 5–21.
- Cerny, P. (2010b). *Rethinking world politics*. New York: Oxford University Press.
- Cerny, P., & Evans, M. (1999). *New labour, globalization, and the competition state* (Working Paper No. 70). Cambridge, MA: Center for European Studies, Harvard University.
- Chaganti, R., & Greene, P. (2002). Who are ethnic entrepreneurs? A study of entrepreneurs; ethnic involvement and business characteristics. *Journal of Small Business Management*, 40(2), 126–143.
- Clark, G., & Moonen, T. (2013). *Ten traits of globally fluent metro areas* (International ed.). Global Cities Initiative. Washington, DC: Brookings Institute.
- Clark, K., & Drinkwater, S. (2000). Pushed out or pulled in? Self-employment among ethnic minorities in England and Wales. *Labour Economics*, 7(5), 603–628.
- Commons, J. (1931). Institutional economics. *The American Economic Review*, 21, 648–657.
- Dahl, R. (1961). *Who governs?* New Haven, CT: Yale University Press.
- Dana, L. (2007). Introduction. In L. Dana (Ed.), *Handbook of research on international entrepreneurship* (1st ed., p. 4). Cheltenham: Edward Elgar Publishing.
- Dana, L., Etemad, H., & Wright, R. (2004). Back to the future: International entrepreneurship in the new economy. In M. Jones & P. Dimitriatos (Eds.), *Emerging paradigms in international entrepreneurship* (1st ed., pp. 19–34). Cheltenham: Elgar.

- Dana, L. P., Korot, L., & Tovstiga, G. (2003). Toward a transnational technoculture: An empirical investigation of knowledge management. In H. Etemad & R. Wright (Eds.), *Globalization and entrepreneurship: Policy and strategy perspectives* (1st ed., pp. 183–204). Cheltenham: Edward Elgar.
- Davidson, L. (2014). Ford to create 300-plus jobs at Dagenham plant. *The Telegraph* [online]. Retrieved November 12, 2014, from <http://www.telegraph.co.uk/finance/newsbysector/transport/11173629/Ford-to-create-300-plus-jobs-at-Dagenham-plant.html>
- Delaney, L. (2004). The new globetrotters. In L. Dana (Ed.), *Handbook of research on international entrepreneurship* (1st ed., pp. 58–73). Cheltenham, UK: Edward Elgar Publishing.
- Dobbs, R., Smit, S., Remes, J., Manyika, J., Roxburgh, C., & Restrepo, A. (2011). *Urban world: Mapping the economic power of cities*. New York: McKinsey Global Institute.
- Douhan, R., Norback, P.-J., & Persson, L. (2010). Entrepreneurial innovations, competition and competition policy. *SSRN Electronic Journal*.
- Douhan, R., & Norbäck, P.-J., & Persson, L. (2010, March). Entrepreneurial innovations, entrepreneurship policy and globalization. CEPR Discussion Paper No. DP7752. Retrieved from SSRN: <https://ssrn.com/abstract=1578102>
- Duchacek, I. (1986). *The territorial dimension of politics within, among, and across nations*. Boulder, CO: Westview Press.
- Duchacek, I. (1990). Perforated sovereignties: Towards a typology of new actors in international relations. [S.l.]: [s.n.].
- Duffell, B. (2014). Entrepreneur named in ‘top 100 happy people’ list. GetHampshire.co.uk [online]. Retrieved January 6, 2015, from <http://www.gethampshire.co.uk/news/local-news/entrepreneur-named-top-100-happy-7186313>
- Dunning, J. (1995). Reappraising the eclectic paradigm in an age of alliance capitalism. *Journal of International Business Studies*, 26(3), 461–491.
- Dyer, L., & Ross, C. (2007). Advising the small business client. *International Small Business Journal*, 25(2), 130–151.
- Ebrard, M. (2010). World mayors council on climate change—Mexico city pact [online]. Worldmayorscouncil.org. Retrieved February 1, 2014, from <http://www.worldmayorscouncil.org/the-mexico-city-pact.html>
- Ec.europa.eu. (2014). Homepage—Transparency register [online]. Retrieved February 2, 2014, from <http://ec.europa.eu/transparencyregister/info/homePage.do>
- Elledge, J. (2013). A guide to the borough of Barking and Dagenham. Londonist.com. [online] Retrieved August 20, 2014, from <http://www.londonist.com>
- Engardio, P., & Burrows, P. (1997). Where immigrants find a melting pot of gold. *Business Week*, 3541, 123.
- Etemad, H., & Wright, R. (2003). Internationalization of SMEs: Toward a new paradigm. *Small Business Economics*, 20(1), 1–4.

- Faist, T. (2010). Towards transnational studies: World theories, transnationalisation and changing institutions. *Journal of Ethnic and Migration Studies*, 36(10), 1665–1687.
- Farfetch.com. (2015). About us [online]. <https://www.farfetch.com/om/pag1988.aspx?ffref=fr>
- Fishman, W. (1979). Bow match girls strike. *East London Record*, p. 2.
- Florida, R. (2002). *The rise of the creative class*. New York: Basic Books.
- Fox Przeworski, J., Goddard, J., & de Jong, M. (1991). *Urban regeneration in a changing economy: An international perspective*. Oxford, England: Clarendon Press.
- Freeman, C. (2013). Saisphere: The power of cities: Mayors on the world stage [online]. Media.sais-jhu.edu. Retrieved February 1, 2014, from <http://media.sais-jhu.edu/saisphere/article/power-cities-mayors-world-stage>
- Friedmann, J., & Wolff, G. (1982). *Future of the world city*.
- Fujita, K., & Hill, R. (1998). Industrial districts and economic development in Japan: The case of Tokyo and Osaka. *Economic Development Quarterly*, 12(2), 181–198.
- Gains, F., Greasley, S., John, P., & Stoker, G. (2009). The impact of political leadership on organizational performance: Evidence from English urban government. *Local Government Studies*, 35(1), 75–94.
- Gallup Inc. (2012). In U.S., trust in state, local governments up [online]. Gallup.com. Retrieved February 2, 2014, from <http://www.gallup.com/poll/157700/trust-state-local-governments.aspx>
- Gallup Inc. (2013). Trust in government: Gallup historical trends [online]. Gallup.com. Retrieved February 2, 2014, from <http://www.gallup.com/poll/5392/trust-government.aspx>
- Geddes, P. (1915). *Cities in evolution*. New York: H. Fertig.
- Gheerbrant, J. (2014). Hackney's best businesses celebrated by Mayor's awards [online]. *Hackney Post*. <http://hackneypost.co.uk/2014/03/29/hackney-business-awards-entrepreneurs-celebrated-mayor/>
- Gidley, B., & Jayaweera, H. (2010). An evidence base on migration and integration in London. In *Centre on migration, policy and society*. London: University of Oxford.
- GLA Intelligence. (2014). *London borough profiles*. London: Greater London Authority. Retrieved from <http://data.london.gov.uk/dataset/london-borough-profiles>
- GLA Intelligence. (2015). *London borough profiles*. London: Greater London Authority. Retrieved from <http://data.london.gov.uk/dataset/london-borough-profiles>
- Goldsmith, M. (1993). The Europeanisation of local government. *Urban Studies*, 30, 683–683.

- Goodman, M. (2013). 'Impact Entrepreneurship' places importance on social consciousness. *Entrepreneur* [online]. Retrieved August 1, 2015, from <http://www.entrepreneur.com/article/225480>
- Gov.uk. (2013). Tech City celebrates third anniversary as new figures show economic success story. News stories. GOV.UK. [online]. Retrieved August 2, 2015, from <https://www.gov.uk/government/news/tech-city-celebrates-third-anniversary-as-new-figures-show-economic-success-story>
- Greene, P., & Butler, J. (1997). *Wealth building and entrepreneurship: Lessons from Pakistani/Isma'ili enterprises*. Babson Conference on Entrepreneurial Research. Wellesley, MA: Babson College.
- Hall, S. (2013a). Multilingual citizenship. *Discover Society*, 1, 1–3.
- Hall, S. (2013b). Super-diverse street: A trans-ethnography across migrant localities. *Ethnic and Racial Studies*, 38(1), 22–37.
- Hall, S. (2013c). The politics of belonging. *Identities: Global Studies in Culture and Power*, 20(1), 46–53.
- Held, D. (1999). *Global transformations*. Stanford, CA: Stanford University Press.
- Held, D. (2010). *Cosmopolitanism*. Cambridge, UK: Polity Press.
- Held, D., & McGrew, A. (2003). *The global transformations reader*. Cambridge, UK: Polity Press.
- Heseltine, M. (2012). *No stone unturned: In pursuit of growth*. London: UK Government Department for Business, Innovation and Skills.
- Home Office and Ministry of Justice. (2013). This written ministerial statement was laid in the House of Commons on 14 October 2013 by Damian Green, and in the House of Lords by Lord Taylor of Holbeach.
- Hooghe, L., & Marks, G. (1996). Europe with the regions: Channels of regional representation in the European Union. *Publius: The Journal of Federalism*, 26(1), 73–92.
- Hooghe, L., & Marks, G. (2001). *Multi-level governance and European integration*. Lanham, MD: Rowman & Littlefield Publishers.
- Horowitz, C. (2003). The NYPD's war on terror [online]. NYMag.com. Retrieved February 1, 2014, from http://nymag.com/nymetro/news/features/n_8286/
- Hutchinson, J. (1994). The practice of partnership in local economic development. *Local Government Studies*, 20(3), 335–344.
- Hutton, W. (2008). *The world we're in*. London: Little Brown Book Group.
- ICLEI (2012). Cities hold the key to Doha Climate Gateway, ICLEI concludes after UN Climate Conference.
- International Olympic Committee (IOC). (2012). *London 2012 Factsheet*. Lausanne, Switzerland: IOT.
- Ipsos Mori. (2012). *Understanding society: Evolving public services, evolving public opinion*. London: Ipsos Mori Publishing.
- Istrate, E., Rothwell, J., & Katz, B. (2010). Export nation: How U.S. metros lead national export growth and boost competitiveness. Metropolitan Policy Program at Brookings. Retrieved from <http://www.brookings.edu/metro>

- Italian Vogue. (2014). Global street style report: Mapping out the 15 coolest neighborhoods in the world [online]. Retrieved from <http://www.vogue.com/slideshow/fifteen-coolest-street-style-neighborhoods#1>
- Iyer, G., & Shapiro, J. (1999). Ethnic entrepreneurial and marketing systems: Implications for the global economy. *Journal of International Marketing*, 7, 83–110.
- Jenkins, K. (2013). Jenkins interview. Conducted by Amy Hochadel.
- Johansson, F. (2004). *The Medici effect*. Boston, MA: Harvard Business School Press.
- John, P. (2000). The Europeanisation of sub-national governance. *Urban Studies*, 37(5–6), 877–894.
- John, P. (2001). *Local governance in Western Europe*. London: SAGE.
- John, P. (2008). Local government in the United Kingdom. *British Politics*, 3(3), 418–419.
- John, P. (2013). The great survivor: The persistence and resilience of English local government.
- John, P., & Cole, A. (1999). Political leadership in the new urban governance: Britain and France compared. *Local Government Studies*, 25(4), 98–115.
- Jones, M., & Dimitratos, P. (2004). Emerging paradigms in international entrepreneurship: A synopsis. *Emerging Paradigms in International Entrepreneurship*, 3, 4.
- Jones, T., McEvoy, D., & Barrett, G. (1992). *Small business initiative: Ethnic minority business component. End of Award Report W108 25 1013 to the Economic and Social Research Council*. Liverpool: Liverpool John Moores University.
- Keohane, R. O. (1998). International institutions: Can interdependence work? *Foreign Policy*, Spring(110), 82–96, 194. Special Edition: Frontiers of Knowledge.
- Keohane, R., & Nye, J. (1977). *Power and interdependence*. Boston, MA: Little Brown.
- Keohane, R., & Nye, J. (1987). Power and interdependence revisited. *International Organization*, 41(4), 725–753.
- Khatun, S. (2012). Khatun interview. Conducted by Amy Hochadel.
- Kingdon, J. (2003). *Agendas, alternatives, and public policies* (2nd ed.). Boston, MA: Little Brown.
- Kloosterman, R., & Rath, J. (2001). Immigrant entrepreneurs in advanced economies: Mixed embeddedness further explored. *Journal of Ethnic and Migration Studies*, 27(2), 189–201.
- Kloosterman, R., van der Leun, J., & Rath, J. (1999). Mixed Embeddedness: (In) formal Economic Activities and Immigrant Businesses in the Netherlands. *International Journal of Urban and Regional Research*, 23(2), 252–266.
- Knox, P., & Taylor, P. (1995). *World cities in a world-system*. Cambridge: Cambridge University Press.
- Krause, R. (2011). Policy innovation, intergovernmental relations, and the adoption of climate protection initiatives by US cities. *Journal of Urban Affairs*, 33(1), 45–60.

- Krugman, P., & Venables, A. (1995). Globalization and the inequality of nations. *The Quarterly Journal of Economics*, 110(4), 857–880.
- Lachman, M., & Brett, D. (1996). Changing demographics and their implications for retailing. In *Megatrends in retail real estate* (pp. 43–64). Dordrecht, Netherlands: Springer.
- Lawless, P. (2001). Community economic development in urban and regional regeneration: Unfolding potential or justifiable scepticism? *Environment and Planning. C, Government & Policy*, 19(1), 135–155.
- Lee, L., & Wong, P. (2003). Attitude towards entrepreneurship education and new venture creation. *J Enterprising Culture*, 11(4), 339–357.
- Lee, T., & Koski, C. (2012). Building green: Local political leadership addressing climate change. *Review of Policy Research*, 29(5), 605–624.
- Leese, R., Pipe, J., & Taylor, S. (2014). *First report: The case for change* [online]. London: Commissioned for Labour Policy Review. Retrieved March 9, 2015, from http://lga labour.local.gov.uk/documents/330956/1072424/First_Report_The_case_for_change.pdf/
- Lefèvre, B., & Wemaere, M. (2009). *Post-2012 climate change agreement-fitting commitments by cities: Political, economic, technical and legal aspects*. Paris, France: Institut du développement durable et des relations internationales (IDDRI).
- Leithwood, K. (1992). Transformational leadership: Where does it stand? *Educational Leadership*, 49, 8–12.
- Light, I., & Bonacich, E. (1988). *Immigrant entrepreneurs*. Berkeley: University of California Press.
- Local Government Association (LGA). (2013). *Building trust*. London: Local Government Association.
- London Borough of Barking and Dagenham. (2004). Barking and Dagenham growth commissions [online]. <https://www.lbbd.gov.uk/business/growing-the-borough/our-strategy-for-growth/overview-2/>
- London Borough of Barking and Dagenham. (2010a). Barking & Dagenham Core Strategy [online]. Barking & Dagenham: Barking & Dagenham. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010/>
- London Borough of Barking and Dagenham. (2010b). Barking & Dagenham local development framework [online]. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010/>
- London Borough of Barking and Dagenham. (2011). Barking & Dagenham local economic assessment [online]. Retrieved January 10, 2015, from <https://www.lbbd.gov.uk/residents/planning-and-building-control/planning-guidance-and-policies/development-plan/core-strategy-dpd-2010/>

- London Borough of Hackney. (2010a). Hackney core strategy [online]. Hackney: Hackney.gov. Retrieved October 30, 2013, from <http://www.hackney.gov.uk/core-strategy.htm#.Vdt9i7fxiRs>
- London Borough of Hackney. (2010b). Hackney Local Development framework [online]. Hackney: Hackney.gov. Retrieved February 2, 2013, from <http://www.hackney.gov.uk/ep-local-development-framework-856.htm#.Vdtj2rfxiRs>
- London Borough of Hackney. (2010c). Tech city overview, Hackney local economic assessment [online]. Hackney: Hackney.gov. Retrieved October 30, 2013, from http://www.hackney.gov.uk/Assets/Documents/Tech_City_Overview.pdf
- London Borough of Hackney. (2011). Hackney local economic assessment overview [online]. Hackney: Hackney.gov. Retrieved May 4, 2013, from <http://www.hackney.gov.uk/Local-Economic-Assessment.htm#.VdtkqbfxiRs>
- London Borough of Hackney. (2015). Oslo signs historic trade agreement with Hackney. Hackney.gov. [online]. Retrieved February 17, 2015, from <http://news.hackney.gov.uk/oslo-signs-historic-trade-agreement-with-hackney>
- London Borough of Hackney Policy Team. (2014). A Profile of Hackney, its people and place [online]. Hackney: Hackney.gov. Retrieved March 13, 2015, from <http://www.hackney.gov.uk/Assets/Documents/Hackney-Profile.pdf>
- London Borough of Tower Hamlets. (2010a). Tower Hamlets Core Strategy [online]. <http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Strategic-Planning/Local-Plan/Core-Strategy-and-MDD/Core-Strategy-low-resolution.pdf>
- London Borough of Tower Hamlets. (2010b). Tower hamlets local development framework [online]. <http://www.towerhamlets.gov.uk/Documents/Planning-and-building-control/Strategic-Planning/Local-Plan/Core-Strategy-and-MDD/Core-Strategy-low-resolution.pdf>
- London Borough of Tower Hamlets. (2010c). Tower hamlets local economic assessment (Vols. 1, 2, 3) [online]. Retrieved October 30, 2013, from http://www.towerhamlets.gov.uk/lgnl/community_and_living/borough_profile/research_and_briefings/economy_and_business.aspx
- London Datastore. (1991). Historical census data [online]. London. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>
- London Datastore. (2011). Historical census data [online]. London. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>
- London Datastore. (2013). Historical census data [online]. Retrieved November 4, 2013, from <http://data.london.gov.uk/dataset/historic-census-population>
- Lopez, D. (2012). Tech winds are blowing east. Global Conversations [online]. London: Foreign and Commonwealth Office. Retrieved October 24, 2012, from <http://blogs.fco.gov.uk/dannylopez/2012/05/29/tech-winds-are-blowing-east/>

- Lowery, D., & Gray, V. (2004). A neopluralist perspective on research on organized interests. *Political Research Quarterly*, 57(1), 164–175.
- Ludwig, A. (2002). *King of the mountain*. Lexington: University Press of Kentucky.
- Marks, G. (1992). Structural policy in the European community. In A. Sbragia (Ed.), *Europolitics: Institutions and policymaking in the, "New" European community* (1st ed.). Washington, DC: The Brookings Institute.
- Marks, G. (1993). Structural policy in the European community. In A. Cafruny & G. Rosenthal (Eds.), *The state of the European community: Vol. 2. The maastricht debates and beyond* (1st ed.). Boulder, CO: Lynne Rienner.
- Marks, G. (1996). An actor-centred approach to multi-level governance. *Regional & Federal Studies*, 6(2), 20–38.
- Marks, G., Nielsen, F., Ray, L., & Salk, J. (1996). Competencies, cracks, and conflicts regional mobilization in the European Union. *Comparative Political Studies*, 29(2), 164–192.
- Martin, S. (1998). EU programmes and the evolution of local economic governance in the UK. *European Urban and Regional Studies*, 5(3), 237–248.
- Masurel, E., & Nijkamp, P. (2004). Differences between first-generation and second-generation ethnic start-ups: Implications for a new support policy. *Environment and Planning. C, Government & Policy*, 22(5), 721–737.
- Mazzucato, M. (2011). *The entrepreneurial state*. London: Demos.
- McDougall, P., & Oviatt, B. (2000). International entrepreneurship: The intersection of two research paths. *Academy of Management Journal*, 43(5), 902–906.
- McFarland, A. (2004). *Neopluralism*. Lawrence: University Press of Kansas.
- McMahon, S. (2015). *Immigration and citizenship in an enlarged European Union*. London: Palgrave Macmillan.
- Michelmann, H., & Soldatos, P. (1990). *Federalism and international relations*. Oxford, England: Clarendon Press.
- Miller, T. (1852). The London docks. In *Picturesque sketches of London, past and present*. London: Office of the National Illustrated Library.
- Mills, C. (1956). *The power elite*. New York: Oxford University Press.
- Muir, H. (2005). Wake-up call from Woking [online]. *The Guardian*. Retrieved February 2, 2014, from <http://www.theguardian.com/society/2005/jun/29/environment.interviews>
- Nathan, M., & Lee, N. (2013). Cultural diversity, innovation, and entrepreneurship: Firm-level evidence from London. *Economic Geography*, 89(4), 367–394.
- NATO. (2012). *What is NATO? An introduction to the transatlantic alliance*. Brussels, Belgium: NATO Publications, Public Diplomacy Division.
- Nestorowicz, J. (2012). Immigrant self-employment: Definitions, concepts and methods. *Central and Eastern European Migration Review*, 1, 37–55.
- New York City Office of the Mayor. (2012). Mayor Bloomberg launches new C40 global networks to support sustainable policy and generate economic growth in cities around the world.

- Nicholson, G. (2013). South by North-East? Business trips abroad can build global links [online]. *The Guardian*. Retrieved January 31, 2014, from <http://www.theguardian.com/local-government-network/2013/mar/26/hackney-council-sxsw-local-government-trips>
- Nijkamp, P., Sahin, M., & Baycan-Levent, T. (2009). *Migrant entrepreneurship and new urban economic opportunities*. Tinbergen Institute discussion paper. TI 2009-025/3. Amsterdam: Tinbergen Institute.
- North, D. (1991). Institutions. *The Journal of Economic Perspectives*, 5(1), 97–112.
- Nye, J. (2008). *The powers to lead*. Oxford: Oxford University Press.
- ODPM. (2006). *State of the cities*. London: ODPM.
- OfCom. (2012). *OfCom Broadcast Bulletin*, 208, 4–9.
- Office of the Deputy Prime Minister. (2006). *State of English cities*. London: Office of the Deputy Prime Minister. p. 13.
- Okereke, C., Bulkeley, H., & Schroeder, H. (2009). Conceptualizing climate governance beyond the international regime. *Global Environmental Politics*, 9(1), 58–78.
- Oliveira, C. (2007). Understanding the diversity of immigrant entrepreneurial strategies. In L. Dana (Ed.), *Handbook of research on ethnic entrepreneurship: A co-evolutionary view on resource management* (1st ed., pp. 30–41). Cheltenham, England: Edward Elgar Publishing.
- Oliveira, C. (2010). The determinants of immigrant entrepreneurship and employment creation in Portugal. In OECD (Ed.), *Open for business migrant entrepreneurship in OECD countries* (1st ed., pp. 125–148). Paris: OECD Publishing.
- Oxford Economics. (2013). *How successful SMEs are reinventing global business. SMEs: Equipped to compete*. Oxford: Oxford Economics.
- Oxhorn, P., & Ducatenzeiler, G. (1998). *What kind of democracy? What kind of market?* University Park, PA: Pennsylvania State University Press.
- Payre, R. (2010). The importance of being connected. City networks and urban government: Lyon and eurocities (1990–2005). *International Journal of Urban and Regional Research*, 34(2), 260–280.
- Peterson, W. (1980). Concepts of ethnicity. In S. Thernstrom (Ed.), *Harvard encyclopedia of American ethnic groups* (1st ed., pp. 234–242). Cambridge, MA: Harvard.
- Porter, M. (1995). The competitive advantage of the inner city. *Harvard Business Review*, 73(3), 55–71.
- Porter, M. (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15–34.
- Portes, A. (2003). Conclusion: Theoretical convergencies and empirical evidence in the study of immigrant transnationalism. *International Migration Review*, 37(3), 874–892.
- Portes, A., Guarnizo, L., & Haller, W. (2002). Transnational entrepreneurs: An alternative form of immigrant economic adaptation. *American Sociological Review*, 67(2), 278.

- Price Waterhouse Cooper. (2014). *Best value inspection of London Borough of Tower Hamlets*. London: Price Waterhouse Cooper.
- Rahman, L. (2014). Lutfur Rahman: The accusation that I favoured Muslims in Tower Hamlets is utterly false [online]. *The Guardian*. Retrieved from <https://www.theguardian.com/commentisfree/2014/nov/05/lutfur-rahman-accusation-favoured-muslims-tower-hamlets-false-eric-pickles>
- Ram, M. (1998). Enterprise support and ethnic minority firms. *Journal of Ethnic and Migration Studies*, 24(1), 143–158.
- Ram, M., & Jones, T. (1998). Ethnic Minorities in Business [online]. University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship. Retrieved August 23, 2015, from <http://ssrn.com/abstract=1510004>
- Rath, J. (2000). *Immigrant businesses*. Basingstoke, UK: St. Martin's Press.
- Rath, J., & Kloosterman, R. (2000). Outsiders' business: A critical review of research on immigrant entrepreneurship. *International Migration Review*, 34(3), 657.
- Rath, J., & Kloosterman, R. (2002). *Working on the fringes. Immigrant businesses, economic integration and informal practices* (pp. 177–188). Marginalising eller Integration. Stockholm: NUTEK.
- Razin, E., & Light, I. (1998). Ethnic Entrepreneurs in America's Largest Metropolitan Areas. *Urban Affairs Review*, 33(3), 332–360.
- Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA). (2015). *Devo Met: Charting a path ahead*. London: RSA.
- Rusinovic, K. (2006). *Dynamic entrepreneurship. Amsterdam*. Amsterdam: University Press.
- Sassen, S. (1991). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2000). *Cities in a world economy*. Thousand Oaks, CA: Pine Forge Press.
- Sassen, S. (2001). *The global city*. Princeton, NJ: Princeton University Press.
- Sassen, S. (2004). Local actors in global politics. *Current Sociology*, 52(4), 649–670.
- Saxenian, A. (1999). *Silicon Valley's new immigrant entrepreneurs*. San Francisco, CA: Public Policy Institute of California.
- Schaper, M., & Volery, T. (2004). *Entrepreneurship and small business*. Milton, Australia: Wiley.
- Schiller, N. G., Basch, L., & Blanc-Szanton, C. (1992). Transnationalism: A new analytical framework for understanding migration. In N. G. Schiller, L. Basch, & C. Blanc-Szanton (Eds.), *Toward a transnational perspective on migration* (pp. 1–24). New York: New York Academy of Sciences.
- Schneider, K. (2012). As demand rises, Ohio's steel mills shake off the rust and expand. *The New York Times* [online]. p. B6. Retrieved August 2, 2015, from <http://nyti.ms/1KJvwMI>

- Sepulveda, L., Syrett, S., & Lyon, F. (2011). Population superdiversity and new migrant enterprise: The case of London. *Entrepreneurship and Regional Development*, 23(7–8), 469–497.
- Sharma, E. (2013). Generation gap in family business: Comparison of entrepreneurial traits of first and second generation entrepreneurs. *International Journal of Humanities, Arts, Medicine and Sciences*, 1(2), 7–14.
- Short, L., & Kogut, C. (2012). Immigrants and self-employment. *Academy of Entrepreneurship*, 18(1), 17.
- Shurooq Editor. (2017). Government leaders convene to discuss economy [online]. Sharjah Update. Retrieved from http://www.sharjahupdate.com/2017/01/government-leaders-convene-to-discuss-economy/?utm_source=2017-01-12-Sharjah-Update&utm_medium=Email&utm_campaign=2017-01-12-Sharjah-Update&utm_source=Sharjah+Update+Email+List&utm_campaign=ebbf0c38fc-EMAIL_CAMPAIGN_2017_01_11&utm_medium=email&utm_term=0_611cb9b995-ebbf0c38fc-246327793
- Simmel, G. (1908). *Sociology: Investigations on the forms of sociation*. Berlin: Duncker & Humblot.
- Smith, K. (2001). Bisociation, discovery and the role of entrepreneurial action. In *Strategic entrepreneurship: Creating a new integrated mind-set* (p. 51). Oxford: Blackwell.
- Sombart, W. (1914). *The Jews and modern capitalism*. Glencoe, IL: Free Press.
- Soysal, Y. (1994). *Limits of citizenship*. Chicago, IL: University of Chicago.
- Soysal, Y. N. (2012). Citizenship, immigration, and the European social project: Rights and obligations of individuality. *The British Journal of Sociology*, 63, 1–21. doi:10.1111/j.1468-4446.2011.01404.x.
- Stewart, J. (1986). *The new management of local government*. London: Allen & Unwin. For the Institute of Local Government Studies, University of Birmingham.
- Stewart, J. (2006). Transformational leadership: An evolving concept examined through the works of Burns, Bass, Avolio, and Leithwood. *Canadian Journal of Educational Administration and Policy*, 54, 1–29.
- Stiglitz, J. (2002). *Globalization and its discontents*. New York: W.W. Norton.
- Stiglitz, J. (2005). The overselling of globalization. In *Globalization: What's new* (pp. 228–261). New York: Columbia University Press.
- Stiglitz, J. (2006). *Making globalization work*. New York: W.W. Norton.
- Stiglitz, J. (2012). *The price of inequality*. New York: W.W. Norton.
- Stoker, G. (1991). *The politics of local government*. London: Macmillan.
- Stoker, G. (1998). Governance as theory: Five propositions. *International Social Science Journal*, 50(155), 17–28.
- Stoker, G. (1999). *The new management of British local governance*. Basingstoke, England: Macmillan.
- Stoker, G. (2000). *The new politics of British local governance*. New York: St. Martin's Press.

- Stone, C. (1995). Political leadership in urban politics. In D. Judge, G. Stoker, & H. Wolman (Eds.), *Theories of urban politics* (1st ed., pp. 96–116). London: Sage.
- Strange, S. (2000). The declining authority of states. In *The global transformations reader* (pp. 148–155). Cambridge, UK: Polity.
- Suarez-Orozco, C., Yoshikawa, H., Teranishi, R., & Suarez-Orozco, M. (2011). Growing up in the shadows: The developmental implications of unauthorized status. *Harvard Educational Review*, 81(3), 438–473.
- Sulopuisto, O. (2014). How Helsinki became the most successful open-data city in the world [online]. *The Atlantic Citylab*. <http://www.citylab.com/tech/2014/04/how-helsinki-mashed-open-data-regionalism/8994/>
- Sun, P., & Anderson, M. (2012). Civic capacity: Building on transformational leadership to explain successful integrative public leadership. *The Leadership Quarterly*, 23(3), 309–323.
- Talani, L. (2004). *European political economy*. Aldershot, England: Ashgate.
- Talani, L. (2005). Out of Egypt: Globalisation, marginalisation and illegal Muslim migration to the EU. Occasional Lecture Series. Retrieved from <http://escholarship.org/uc/item/84t8q4p1>
- Talani, L. (2009). *From Egypt to Europe*. London: Tauris Academic Studies.
- The Economist. (2014). The badshah of Tower Hamlets. *The Economist*.
- The Organisation for Economic Co-operation and Development (OECD). (1997). *Globalisation and small and medium enterprises*. Paris: OECD Publishing.
- The Organisation for Economic Co-operation and Development (OECD). (2010a). *International migration outlook: Migration key to long-term economic growth*. Paris: OECD Publishing.
- The Organisation for Economic Co-operation and Development (OECD). (2010b). Open for business: Migrant entrepreneurship in OECD countries. [online]. OECD Publishing. Retrieved August 2, 2015, from <http://dx.doi.org/10.1787/9789264095830-en>
- The Organisation for Economic Co-operation and Development (OECD). (2011a). Public social spending—society at a glance 2011—OECD iLibrary [online]. Retrieved May 12, 2014, from http://dx.doi.org/10.1787/soc_glance-2011-20-en
- The Organisation for Economic Co-operation and Development (OECD). (2011b). Social expenditure, in OECD factbook 2011–2012: Economic, environmental and social statistics [online]. Retrieved May 12, 2014, from http://www.oecd-ilibrary.org/economics/oecd-factbook_18147364
- UK Government Department for Communities and Local Government. (2013). *Ethnic minority businesses and access to finance*. London: The Crown.
- United Nations. (2005). *The inequality predicament report on the world social situation 2005*. New York: United Nations Publishing. A/60/117/Rev.1, ST/ESA/299.

- United Nations. (2011). *The report on the world social situation: The global social crisis. The world social situation*. New York: United Nations Publishing.
- Veblen, T. (1900). The theory of the leisure class. *The American Journal of Sociology*, 5(6), 829–837.
- Volery, T. (2007). Ethnic entrepreneurship: A theoretical framework. *Handbook of Research on Ethnic Minority Entrepreneurship*, 1, 30–41.
- Wade, R. (2009). Beware what you wish for: Lessons for international political economy from the transformation of economics. *Review of International Political Economy*, 16(1), 106–121.
- Waldinger, R., Aldrich, H., & Ward, R. (1990). *Ethnic entrepreneurs*. Newbury Park, CA: Sage Publications.
- Wallace, W. (1990). *The dynamics of European integration*. London: Pinter Publishers for the Royal Institute of International Affairs.
- Waltz, K. (1979). *Theory of international politics*. Reading, MA: Addison-Wesley.
- Ward, R., & Jenkins, R. (1984). *Ethnic communities in business*. Cambridge [Cambridgeshire]: Cambridge University Press.
- Weber, M. 1930 [1904]. *The Protestant ethic and the spirit of capitalism* (Talcott Parson, Trans.). New York: Charles Scribner's Sons.
- Weber, M. (1947). *The theory of social and economic organization*. New York: Oxford University Press.
- Weber, M. (1958). *The Protestant ethic and the spirit of capitalism*. New York: Scribner.
- Wintour, P. (2014). Eric Pickles takes over 'rotten' Tower Hamlets. *The Guardian*. [online]. <https://www.theguardian.com/politics/2014/nov/04/eric-pickles-tower-hamlets-london-borough>
- Wong, L. (1997). The future of the American mosaic: Issues in immigration reform. *Stanford Law & Policy Review*, 7, 2.
- Wong, L., & Ng, M. (1998). Chinese immigrant entrepreneurs in Vancouver: A case study of ethnic business development. *Canadian Ethnic Studies*, 30(1), 64–85.
- Wood, A. (2013). Tech City UK fails to disclose spending. *Tech City News* [online]. Retrieved January 20, 2014, from <http://techcitynews.com/2013/12/06/tech-city-uk-fails-to-disclose-spending/>
- Woods, N. (1998). Editorial introduction. Globalization: Definitions, debates and implications. *Oxford Development Studies*, 26(1), 5–13. Taylor & Francis.
- World Trade Organisation. (2008). Trade Policy Review—Report by the Secretariat. Geneva, Switzerland: World Trade Organisation. Document WT/TPR/G/19621.
- Yinger, J. (1985). Ethnicity. *Annual Review of Sociology*, 11(1), 151–180.

INDEX

A

administrative-executor policy/
structure, 21, 38, 102–6, 110,
114, 115, 184, 188

B

Barking & Dagenham, 12, 16, 63, 92,
103, 110–15, 125–76, 186, 188,
189, 195, 197
BNP. *See* British National Party (BNP)
born-global businesses/companies, 64
Brick Lane, 161
British National Party (BNP), 129,
130, 135, 154

C

Canary Wharf, 12, 154, 155, 160,
162–4, 189
Castro, Julian, 1, 39, 46, 47
charisma/charismatic leader/
leadership, 9, 31, 36, 201
climate change, 7, 42–4, 51, 53, 89,
90, 111, 119, 120, 123, 135,
187, 192, 194, 200

clusters, 4, 5, 85, 86, 90, 120, 144,
151, 152
competition state, 1, 5, 12, 14, 23, 25,
27, 34, 45, 46, 78, 84, 119
Conservative Party, 25, 160
corruption, 156, 157, 162, 176, 188,
194

cosmopolitanism, 13
creative class, 61

D

Department for Communities and
Local Government, 126, 127
devolution, 25, 142, 149, 181, 186
Doha Climate Change Conference, 43
dyadic model, 16, 17, 66, 101

E

Electoral Commission, 103
entrepreneur models
enhanced interactive model, 65
heuristic model, 65
middleman entrepreneur, 64, 65
mixed embeddedness, 65

entrepreneurs/entrepreneurship, 2, 3, 5, 6, 8–11, 16, 36, 37, 40, 51, 59–95, 101, 131, 136, 138, 141, 143, 144, 146, 149, 151, 152, 171, 182–5, 189–93, 196–200

ethnic entrepreneurs, 3, 60, 62–6, 68–70, 72, 74–9, 81–3, 87, 89, 91–5, 136, 143, 146, 183, 185, 190–2

European Union (EU), 6, 7, 14, 35, 49, 85, 114, 133, 134, 148, 186, 188, 193, 200

F

first generation immigrant, 70, 93, 158

G

global cities, 2, 5–9, 11–14, 22, 23, 25, 27, 33, 37, 42, 43, 54, 63, 69, 72, 75, 78, 79, 82–6, 88, 90, 91, 94, 107, 114, 176, 183–5, 190, 192, 195, 200

global fluency

- globally aware, 107, 110, 134, 169, 183, 185
- globally fluent, 33, 102, 104, 107, 110, 114, 172, 181, 183, 185, 196, 198, 199
- globally oriented, 107, 110, 166, 183, 185, 195

global networks, 2, 26, 32, 34, 37, 42, 53, 64, 73, 81, 89–91, 94, 119, 153, 171, 172, 176, 182, 190, 192, 198–200

governance, 15, 22, 33–5, 37, 48, 52, 103, 105, 106, 118, 121, 131, 192, 199

Greater London Authority, 126

guest-workers, 5, 11, 66, 185

H

Hackney, 6, 12, 16, 22, 40–2, 47, 49, 51, 63, 69, 87, 89, 91, 92, 103, 111–14, 116, 120, 125–76, 186–91, 196, 197

I

ICLEI. *See* International Council for Local Environmental Initiatives (ICLEI)

identity, 11, 59, 62, 64, 67, 70, 74–6, 93, 110, 169–71, 190

International Council for Local Environmental Initiatives (ICLEI), 43

international relations (IR), 14, 22, 28, 31, 38–40, 52, 183

K

Kucinich, Dennis, 159

Kyoto Treaty, 43, 44

L

Labour Party, 16, 103, 125, 130, 135, 142, 149, 159, 161, 163, 172, 194

legislative-activist policy/structure, 2–4, 10, 26, 33–5, 37, 48, 52, 84, 90, 94, 101–8, 110, 111, 115, 121, 122, 146–50, 152, 153, 163, 171, 173, 176, 182, 184, 186–90, 191, 193, 195

Local Development Framework, 126–8, 132, 137, 139, 140, 142, 150, 152, 165, 166, 173

Local Economic Assessment, 126–8, 131, 133, 137, 140–3, 150, 151, 155, 156, 164, 166, 175

London 2012 Olympics, 12, 144, 175

M

market approach, 29, 31, 37, 38, 41, 51, 117
 Mayor of London, 48, 50, 126–9, 193
 multi-level governance, 35, 48

N

nation-state
 permeability, 118–20, 122, 123
 sovereignty, 35, 44, 117–18, 122
 Newham, 41, 103, 161

P

paradiplomacy, 2, 6, 15, 26–9, 39, 52, 53, 118, 182
 Parliament of Mayors, 42, 199
 Peace of Westphalia, 13, 22
 Pickles, Eric, 156, 158
 Pipe, Jules, 6, 125, 141, 142, 149, 150, 196
 postnationalism, 3, 63, 69–70, 75, 76, 89, 93, 182, 185, 193
 Pune, India, 21, 22, 69

R

Rahman, Lutfur, 125, 156–60, 162, 189, 194, 196

S

second generation immigrant, 72, 74, 75, 93, 158
 small medium enterprises (SME), 40, 60, 62, 84, 87, 91, 143
 social enterprise, 77, 89, 90, 92
 state approach, 29, 117

T

Tech City, 86, 91, 95, 142, 145, 151–3, 191
 terrorism, 43, 90, 121, 135, 194
 Tower Hamlets, 12, 16, 17, 63, 69, 103, 111–13, 115, 116, 125–76, 187–90, 193–7
 Tower Hamlets First Party, 103, 156, 160, 162, 163, 171, 194
 transactional local leaders/leadership, 3–5, 9, 10, 15, 26, 30–2, 101, 104, 105, 111, 121, 136, 161, 175, 176, 183, 184, 186–9, 195, 197
 transformational local leaders/leadership, 8–12, 32, 33, 35, 37, 40, 45, 107, 121, 147, 194
 transmigration/transmigrant, 3, 5–8, 12, 60, 63, 67–71, 74–9, 88, 91, 93, 94, 183, 185, 190–3, 196
 transnational neopluralism, 1, 2, 5–8, 12, 14, 29, 32, 48, 74, 78, 81, 88, 90, 94, 119, 122, 184, 192, 196

U

UK Independence Party (UKIP), 130, 135

W

welfare state, 1, 2, 5, 12, 23, 25, 27, 37, 45, 78, 101
 Westminster, 69, 80
 world city theory, 84