

OPENCities

Thematic Paper 3

Diversity, Integration & Inclusion (Full Version)
By Greg Clark

URBACT II



Connecting cities
Building successes



Table of contents

1. Introduction	
2. Case studies	
2.1 New York	
2.2 Mumbai	
2.3 Sydney	
2.4 Barcelona	
2.5 Los Angeles	
2.6 London	
2.7 Hong Kong	
3. Conclusions and Recommendations	
References	

Acknowledgements:

Contacts in

Barcelona:

Sydney:

New York:

Mumbai:

Los Angeles:

London:

Hong Kong:

Research: Joe Huxley

1. Introduction

This paper addresses the issue of managing diversity, integration and inclusion in open cities. It is one of a suite of four thematic publications which form the core knowledge base of the OPENCities project. It attempts to build on what has come before it by focussing on the issues which arise from a city becoming more open.

The series so far comprises of three papers, each adding a different perspective to the issue of openness in cities.

- **Diagnostic Paper. Understanding OPENCities.** This paper explains how and why attracting and providing for a rich diversity of international populations is critical to city success. It describes how openness can be measured and compared between cities.
- **Thematic Paper 1. Internationalisation of OPENCities.** This paper articulates the importance of internationalisation to city success. It argues that the internationalisation of a city's business community and institutions must be accompanied by population internationalisation for the city to yield maximum benefits.
- **Thematic Paper 2. Leadership and Governance of OPENCities.** This paper shows how the dividend of openness can only be successfully achieved through effective city leadership and governance. It argues that though openness in all its aspects cannot be controlled, and many dimensions are controlled at national level, it can be promoted and shaped effectively through excellent local leadership.

As suggested, this paper '**Managing Diversity, Integration and Inclusion in OPENCities**' addresses the issues which arise as a result of increasing openness. In this way it is a natural progression from the three papers which precede it. Indeed many of the ideas, principles and projects contained in these papers provide evidence of how diversity is managed and why it is important.

For instance, case studies from the other papers - such as the OMEGA Initiative in Auckland, the *DiverseCity* project in Toronto, and the Cape Town Partnership's leverage of the 2010 World Cup to drive social-economic integration - have direct implications for cohesion and multiculturalism. At the same time our case study of Amsterdam addresses how new arrivals can feel a sense of belonging in a city, while the case study of Vienna is testimony to the promotion of minority businesses.

Existing OPENCities case studies and their links to Integration, Inclusion and Managing Diversity

Case study city	Initiative	Contribution to Integration and Inclusion	OPENCities paper
Amsterdam	City Brand	Sense of belonging for diverse populations	Diagnostic
Auckland	OMEGA	Employment for diverse populations	Diagnostic
Toronto	Diversity	Leadership role for immigrant leaders	Diagnostic
Cape Town	2010 World Cup	Employment and labour market inclusion	1
Miami	International Trade	Minority businesses boost markets.	1
Singapore	Contact Singapore	Concierge service for international talent	1
Hong Kong	Bi-literalism and tri-lingalism & The Internationalisation of Hong Kong	Positioning, linguistic diversity with Chinese and English bilingualism	2
London	Diversity Works for London	Trade and minority business growth	2
Stuttgart	Pact for Integration	Integration policy at city level	2
Turin	Internationalisation Plan	Greater diversity in student population.	2
Vienna	Immigrant Business	Changed perceptions of immigrant businesses	2

It is the task of this paper to draw together and build on the lessons of the preceding papers and to focus more directly on how cities manage their diversity to avoid segregation and polarisation and instead encourage integration and inclusion.

1.1 What is urban population diversity and how is it produced?

Over the course of the 20th century urban populations have become more internationally mobile and diverse. In broad terms, this process has predominantly been driven by economic trends such as knowledge economy and talent mobility, labour market integration, de-regulation, and change, technological breakthroughs, coupled with social and geo-political trends such as rural to urban migration, family integration, asylum-seeking and political integration.

On closer inspection, migration, and the spatial patterns it produces, are complicated. The driving forces which shape migration patterns operate heterogeneously over space and time. In other words, they can operate locally, regionally, nationally and internationally, as well as in isolation, in sequence and in combination. The result is marked population churning between cities, within cities and between urban and rural areas. Migration can also be selective and unselective, forced and unforced. For instance, some phases of population mobility have been driven by transport technology advances, or pull factors such as high levels of economic growth in some places relative to others. Other phases have been forced by natural/environmental or man-made disasters. Others still involve the cycles of population change within a nation of highly diverse cultures.

At the individual city scale, it is hard to generalise the resulting population structure. None the less, it is highly likely that migration, fuelled by the skilled and unskilled, the rich and poor, has created in many larger cities a population which is diverse and trending towards increasing levels of diversity. Diversity has a self reinforcing tendency.

This diversity manifests itself in a number of ways. As a result, there are clearly a number of different ways to define urban population diversity which include by: Linguistics, Birth place, Ancestry, Age, Gender, Religion, Sexual orientation, and Ethnicity.

Though these other forms are important, this paper will focus more directly on linguistics, birth place, and ethnic diversity, which is the focus on the OPENCities project.

1.2 Does being an open city mean becoming more visibly diverse?

In simple terms, becoming an open city does mean becoming more visibly diverse because international migration is a key driver of diversity in cities and tends to differ between areas receiving and areas losing population.

However, as discussed, there are many forms of diversity which do not necessarily display themselves in a visual way. Being visibly diverse is only one indicator that a city is open. For instance, New York is a highly diverse city even within its white population groups. Irish, Jewish, and Italian Americans may sometimes resemble each other but have cultural roots which differ considerably.

Because, however, visible difference tends to be a simple and effective proxy for many other manifestations of diversity, and population internationalisation, it is often equated to openness. Moreover a number of the urban population challenges such as segregation, polarisation, and ghettoisation tend to be associated with migration and visible diversity.

1.3 How do our seven case study cities illustrate the significance of openness and diversity? Do they show different forms and characters of urban population diversity?

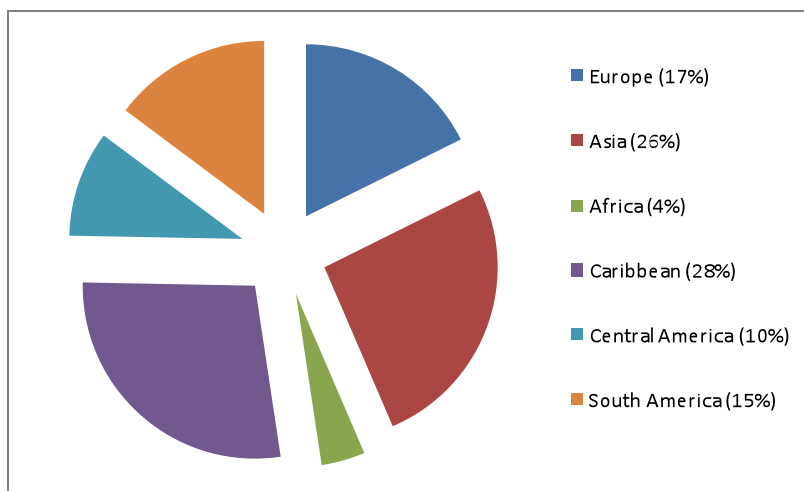
New York

Figures from a December 2007 intermediate census demonstrate New York City's extraordinary diversity and dynamism. Approximately 37% - or 3 million - of the city's population is foreign-born, a figure which has remained almost the same since 2000, while more than half this population are now American citizens. The city is widely acknowledged as the most culturally rich metropolis in the world, playing host to vibrant immigrant populations for well over two centuries. More than a quarter of the central city's 8 million population is Hispanic/Latino, while a further quarter is of Black/African American descent. Over the past decade, figures show

the city has continued to welcome almost 100,000 new residents each from the Dominican Republic, China and Mexico, while large influxes of immigrants have been reported recently from Bangladesh, Pakistan, and Ghana.¹

These disparate immigrant groups do not appear to remain rooted in one community or area in New York. The 2008 American Community Survey suggests that the ethnic and social composition of New York's five boroughs has changed dramatically in recent years according to the dynamic flows of people and fortunes in the city. Parts of Brooklyn have witnessed a dramatic decline in the proportion of residents who do not speak English at home because of gentrification in heavily Hispanic and Asian areas, while in areas of Staten Island, non-English speakers have risen due to a new influx of Chinese and Spanish speakers. Meanwhile the previously African American stronghold of the Bronx now hosts a Hispanic population of over 51%.²

Migrant Diversity In New York (2007)



Mumbai

India is a remarkably diverse nation (almost a continent in its own right) with 17 languages spoken and 5 major religions practiced by citizens. As the table shows, migration has left its mark on the demographic profile of the city's residents. Most obviously, almost half of the city's residents were born outside its boundaries. Though the number of migrants as a proportion of Mumbai's population has fallen, in real terms, the numbers have remained particularly high. In 2001, approximately 5.2 million of the city's near 12 million population did not originate from Mumbai.³

Because of the relatively small number of foreign workers in Mumbai (even though they have increased steadily since 2000), it is between Mumbai's ethnically diverse Indian migrants and the city's existing residents that more distinct diversity expresses itself. Though the resulting population is predominantly Indian, the diversity of culture, language, status, religion, ethnicity and wealth between local Mumbai residents and migrants is pronounced. For instance, in 2004, the linguistic/ethnic make-up of Mumbai comprised of Maharashtrians (42%), Gujaratis (19%), North Indians (24%) with South Indians making up the remaining 15%.⁴

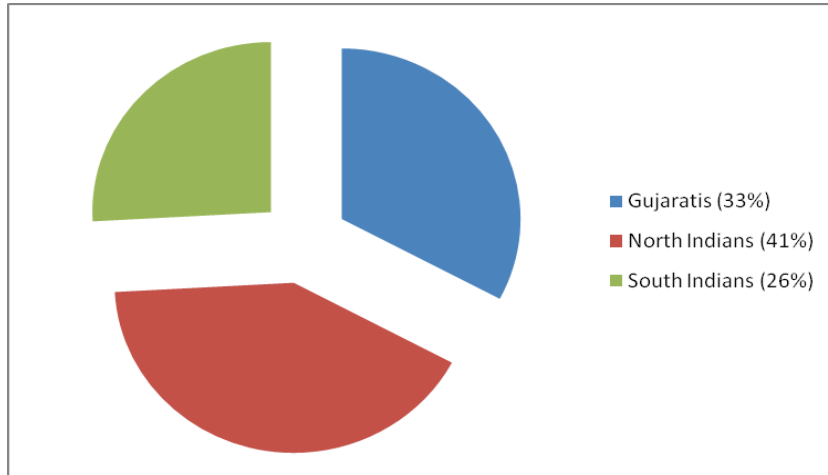
¹ New York Times (2008), 'Census Shows Growing Diversity in New York City', www.nytimes.com/2008/12/09/nyregion/09census.html?_r=1&pagewanted=2

² Ibid.

³ Parasuraman (2007), 'Uncovering the Myth of Urban Development in Mumbai' www.urban-age.net/10_cities/07_mumbai/_essays/mumbai_Parasuraman.html

⁴ Mehta (2004): Quoted in Wikipedia, (http://en.wikipedia.org/wiki/Mumbai#cite_note-231)

Ethnic diversity in Mumbai



Sydney

Sydney is by some margin the most multicultural city in Australia. 35% of the Sydney population was born overseas in 2006,⁵ which places Sydney among the top ten cities worldwide for current diversity. Immigration to Sydney surged after World War II, and later at the end of the 1980s, resulting in a strong base of first and second generation immigrant communities – notably from Lebanon, China, Italy, Greece, Balkan nations and the Philippines. Over half Sydney’s population is a first or second generation immigrant, and now over 180 countries are represented in the city.⁶

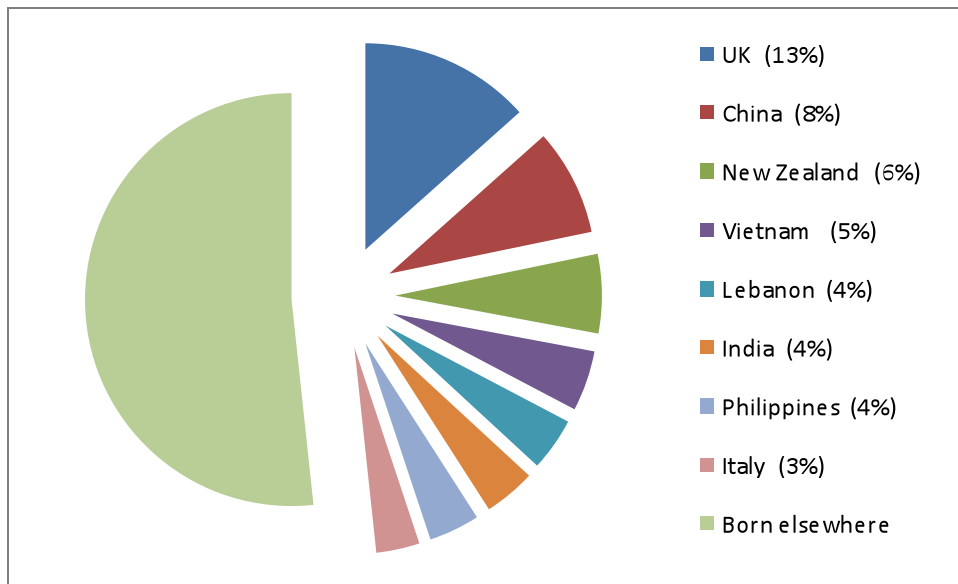
While some ethnic intolerance exists in certain pockets of Sydney, Australia’s financial and business capital is an internationally recognised model of cultural diversity and opportunity, with divergent values and traditions preserved. Ethnic communities have been responsible for spurring urban renewal in inner-city areas such as Little Italy, Chinatown, Asiatown and Auburn’s Turkish and Arabic precinct. The city celebrates its diversity through a wide variety of festivals, cultural events and culinary excellence.⁷ The cosmopolitan character of Sydney’s population is responsible for attracting businesses seeking to locate their national or regional headquarters there.

Foreign-born Sydney residents’ most common countries of birth

⁵ Australian Bureau of Statistics (2008), ‘2006 Census Community Profile Series : Sydney (Statistical Division)’, www.censusdata.abs.gov.au ; figures show 2.49 million respondents to the Census were born in Australia while 1.31 million were born elsewhere (330,000 did not respond either way)

⁶ Jock Collins (2002), ‘Speech: The Challenges and Opportunities of Cultural Diversity’, www.gsu.uts.edu.au/graduation/speakers/pdf/2002/address2002collins.pdf

⁷ Nicola Mele (2008), ‘When diversity means cultural richness’, <http://webdiary.com.au/cms/?q=node/2622>

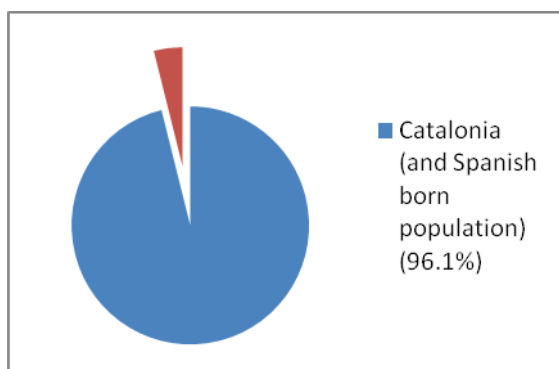


Barcelona

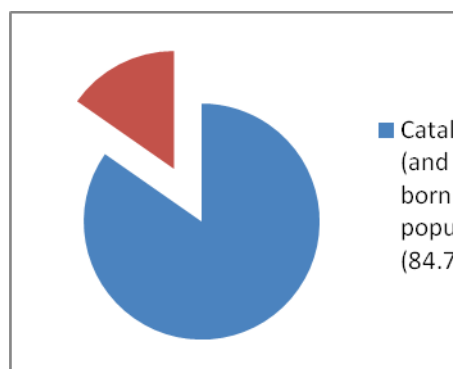
While Barcelona's ethnic and cultural diversification is occurring quite late by the standards of some major European centres, its immigrant population is growing very rapidly. The number of immigrants has more than tripled since 2001, an indication of a remarkable appeal the city has gained among international populations for its dynamic lifestyle and entrepreneurial opportunities.

As of 2006, Barcelona had almost 250,000 foreign-born citizens among its 1.6 million central city population.⁸ The city has retained its distinctive Catalan identity, with over 60% of residents born in Catalonia, and only a further 24% hailing from elsewhere in Spain.⁹ Over 95% of the population understand Catalonia's native Catalan language, while three-quarters can speak and read it due to the city's linguistic immersion-focused education. The majority of new foreign-born residents come from (in order) Ecuador, Peru, Morocco, Italy, Colombia, Argentina, Pakistan and China. Approximately half of foreign-born residents come from Latin America, but there is a wide range of countries now with substantial communities in the city. Close to 150 languages are now spoken on the city's streets.

Proportion of foreign born residents in Barcelona (2001)



Proportion of foreign born residents in Barcelona (2006)



Los Angeles

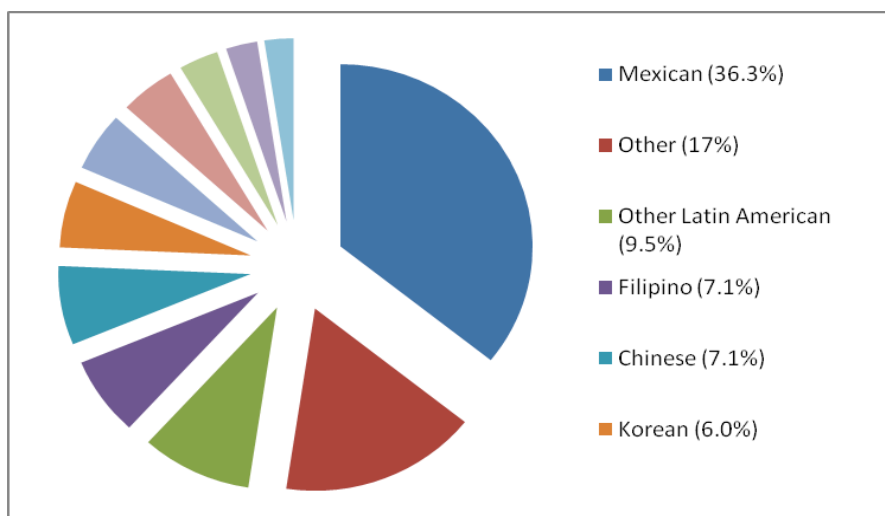
⁸ City of Barcelona (2010): Demografia, <http://web.archive.org/web/20071221131651/http://www.bcn.es/estadistica/catala/dades/anuari/cap02/C0203010.htm>

⁹ Ajuntament de Barcelona (2006): Estructura de la població, <http://web.archive.org/web/20071221131647/http://www.bcn.es/estadistica/catala/dades/anuari/cap02/C0201090.htm>

Los Angeles has been one of the Western Hemisphere’s most dynamic immigrant hubs for several decades. One third of Los Angeles’ 10 million residents are immigrants, nearly half of the workforce is foreign-born, and two-thirds of those under 18 are the children of immigrants.

By 2000 Los Angeles became the USA’s major immigrant port of entry, supplanting New York City, while it hosts the second largest Spanish speaking community in the US after Miami. The foreign-born grew from about 23% of the population in 1980 to more than 37% today. Although Mexicans comprise the largest share of foreign-born in the area, their influx in relative terms has been decreasing over the past thirty years, from 45% to 35% of total immigrants. At the same time the number of immigrants from Western Europe and other Latin American countries has decreased, while immigrants from China, the Philippines, Korea, Armenia and South Asia have comprised a larger share than before. Understanding the full impacts of this diversity – and not just designing programmes that will serve Spanish speakers – is a major challenge for service providers, city planners, and others.

Foreign-born Population that migrated within the last 10 years or less in Los Angeles County¹⁰



London

Home to 7.5 million people accounting for 12.5% of the UK population, London is quite different to other UK cities: 30.2% of London’s population belong to non-white ethnic groups (compared to 10.5% in the rest of England), 58% of Londoners describe themselves as Christian (compared to 72% in England and Wales as a whole), and 44% of the city’s residents are aged between 20 and 44 years-old (compared to 35% of the total UK population).¹¹¹² Indeed, of the 28 local authorities in the UK described as ‘highly diverse’ by an Office of National Statistics study, 24 are in London.¹⁴ The most diverse local authority in the UK is Brent (in north-west London) where there is an 85% chance that if two of its residents were drawn at random they would come from different ethnic groups.¹⁵

The signs suggest that diversity does indeed benefit the city. In demographic terms, 85% of Londoners say that their local area is a place where people of different backgrounds get on well together.¹⁶

Population Diversity in London (2004)¹⁷

¹⁰ California Community Foundation (2009): Immigrant Integration in Los Angeles: Strategic Directions for Funders, http://www.calfund.org/pub_documents/immigrant_integration_popular_doc_web_000.pdf

¹¹ Office of National Statistics (2007): Focus on London: Population and Migration, <http://www.statistics.gov.uk/cci/nugget.asp?id=1812>

¹² Office of National Statistics (2004): Labour Market Data for Local Areas by Ethnicity

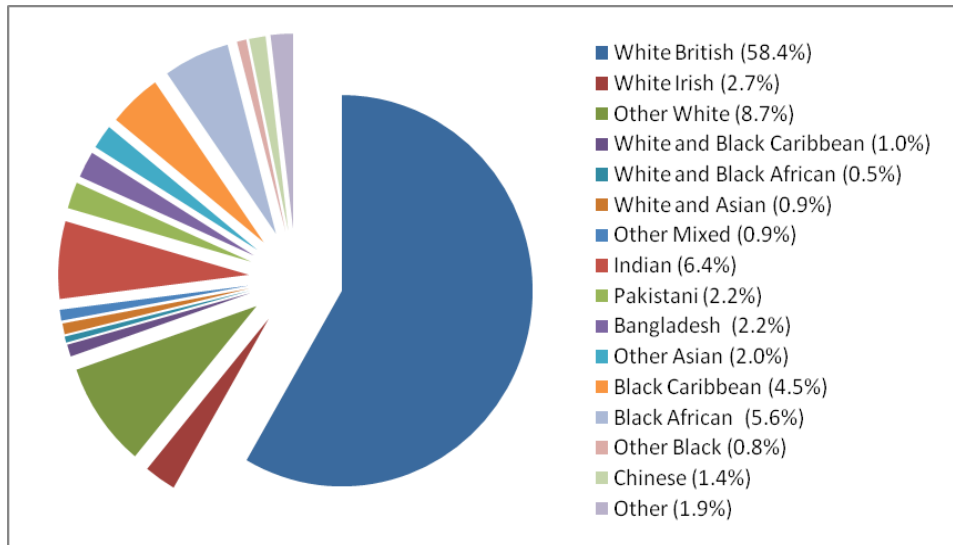
¹³ Office of National Statistics (2001): Census 2001: KS07 Religion

¹⁴ Office of National Statistics (2006): Focus on Ethnicity and Religion

¹⁵ Office of National Statistics (2006): Focus on Ethnicity and Religion

¹⁶ London Council’s (2008): Survey of Londoner’s 2007/08

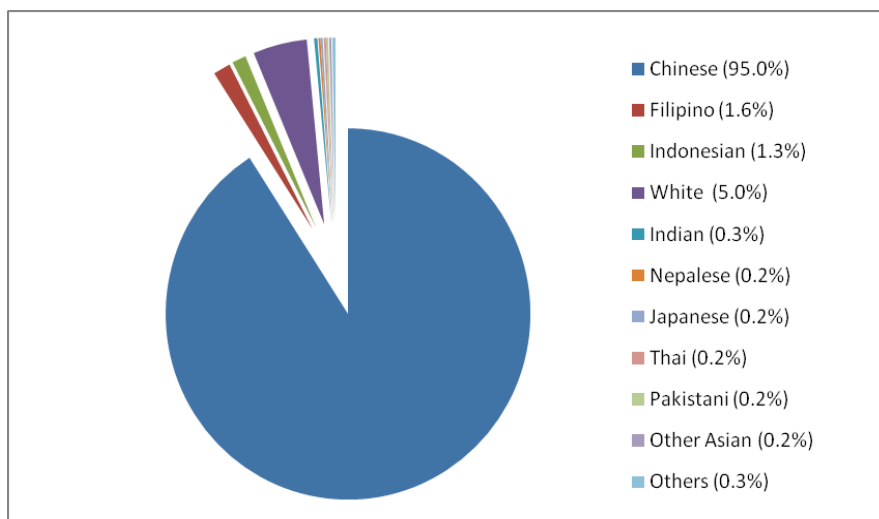
¹⁷ Office of National Statistics (2007): Focus on London: Population and Migration,



Hong Kong

In 2008, the population of the Hong Kong Special Administrative Region grew by 0.8% to 7.0 million.¹⁸ In 2006, the city's ethnic make-up was predominantly Chinese (95%) followed by White (5.0%), Filipino (1.6%) and Indonesian (1.3%) amongst others.¹⁹ As with all other cities, Hong Kong displays its diversity in a number of ways. For instance, the city has two official languages: Cantonese (a dialect of Chinese) and English, which is widely understood and spoken by more than a third of the population.²⁰ The city's religious composition is another aspect of its diversity. One source describes how "every major religion is practiced freely in the city" with 43% participating in religious activities regularly, and 9.6% of them being Christian.²¹

Population Diversity in Hong Kong (2006)²²



1.4 Summary of population diversity in the five selected case studies

<http://www.statistics.gov.uk/cci/nugget.asp?id=1812>

¹⁸The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

¹⁹The Government of the Hong Kong Special Administrative District (2010): Hong Kong Statistics

²⁰The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

²¹The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

²²The Government of the Hong Kong Special Administrative District (2010): Hong Kong Statistics

The following table illustrates how diversity different types of diversity are described by the case studies we detail in the next section.²³

Selected manifestation of population diversity in case study cities

	Ethnic	Linguistic	Birth place	Religious
New York City	<ul style="list-style-type: none"> 36% foreign born, only 44% of population is White American. 700,000 report Italian ancestry, 400,000 Irish, 280,000 German, 270,000 Russian 	<ul style="list-style-type: none"> Highest language density in the world. 170 common languages, but as many as 800 (including rare) languages are spoken. 1.9 million Spanish speakers 	<ul style="list-style-type: none"> 28% of foreign-born immigrants from Caribbean, 25% from rest of Latin America, 25% from Asia, and 17% from Europe. Over 150,000 immigrants born each in Dominican Republic, China, Guyana, Jamaica and Mexico 	<ul style="list-style-type: none"> Largest Jewish community in the world after Tel Aviv
Mumbai	<ul style="list-style-type: none"> 60% population is from Maharashtra state, with further 20% from Gujarat. Over 1 million migrants from outside Maharashtra arriving each decade 	<ul style="list-style-type: none"> 16 major Indian languages spoken English principle language of white collar workforce, most speak colloquial Bumbaiya Hindi 	<ul style="list-style-type: none"> Almost all Mumbai's residents were born in India. Outside Maharashtra, more residents arrive from Gujarat and Northern India than South India. 	<ul style="list-style-type: none"> Population is two-thirds Hindu, with strong representation of Muslims (19%), Buddhists (5%), Jains (4%) and Christians (4%)
Sydney	<ul style="list-style-type: none"> Large ethnic communities of over 100,000 people from Lebanon, Greece, Italy, China and Ireland. 	<ul style="list-style-type: none"> Less than two-thirds of the population speak English at home Most spoken non-English languages are Chinese (5%), Arabic (4%), Greek, Vietnamese and Italian (2%). 	<ul style="list-style-type: none"> 35% foreign-born population in 2006 Largest populations born in UK (4%), China (3%) and New Zealand (2%) 	<ul style="list-style-type: none"> Two-thirds Christian, but with notable share of Eastern Orthodox (4.3%) Others include Islam (4%) and Buddhist (4%)
Barcelona	<ul style="list-style-type: none"> About 250,000 residents in Barcelona have a non-Spanish background. Around 100,000 have a Latin American heritage, while 40,000 have an Asian background 	<ul style="list-style-type: none"> 75% can speak Catalan, and a majority are bi-lingual 	<ul style="list-style-type: none"> 62% of population born in Catalonia, with further 24% from the rest of Spain. 16-17% born abroad, tripled since 2001. Largest non-Spanish populations from Ecuador, Peru, Morocco, Colombia and Argentina. 	<ul style="list-style-type: none"> Most are Roman Catholic, but sizeable numbers of Evangelicals, Jehovah's Witnesses, Buddhists and Muslims.
Los Angeles	<ul style="list-style-type: none"> Only 29% white population 48% of the total population is Hispanic/Latino 11% of Asian descent, 10% Black/African 	<ul style="list-style-type: none"> Second largest Spanish-speaking community in the US (behind Miami) Equal numbers speak English and Spanish as first language (41-42%) 	<ul style="list-style-type: none"> The foreign-born population grew from about 23 %of the population in 1980 to close to 40% today. Two-thirds of foreign-born residents are from Latin America, with a further quarter from Asia. 	<ul style="list-style-type: none"> Large Roman Catholic population due to heavily Latino communities Over 600,000 Jews in the metropolitan area, second largest in US One of the largest and

²³ City Data (2000), <http://www.city-data.com/states/New-York-Languages.html>; New York Times (2010), www.nytimes.com/2010/04/29/nyregion/29lost.html?pagewanted=1; Census India Maps (2008), www.censusindiamaps.net/page/Religion_WhizMap1/housemap.htm; NYC American Community Survey (2008), www.nyc.gov/html/dep/pdf/census/nyc_boros_08_place_of_birth.pdf http://en.wikipedia.org/wiki/Demographics_of_New_York_City#cite_ref-NYC_immigration_2-0; http://en.wikipedia.org/wiki/Demographics_of_Sydney

	<p>American</p> <ul style="list-style-type: none"> • Strong ethnic enclaves of Chinese, Phillipino, Korean and Armenian residents 	<p>each).</p> <ul style="list-style-type: none"> • Next most spoken languages are Korean, Filipino, Armenian, Chinese and Persian (1-2%). 		<p>most varied Buddhist communities in the world.</p>
London	<ul style="list-style-type: none"> • Nearly a third of the city's population is from black, Asian or other minority ethnic (BAME) groups. 	<ul style="list-style-type: none"> • Londoners speak over 300 languages 	<ul style="list-style-type: none"> • According to the 2001 Census, the three largest foreign-born populations in London include Indians (2.4% of the city population), Irish (2.2%) and Bangladeshis (1.2%). 	<ul style="list-style-type: none"> • Londoners belong to at least 14 different faiths.
Hong Kong	<ul style="list-style-type: none"> • In 2006, the city's ethnic make-up was predominantly Chinese (95%) followed by White (5.0%), Filipino (1.6%) and Indonesian (1.3%) amongst others 	<ul style="list-style-type: none"> • The city has two official languages: Cantonese (a dialect of Chinese) and English, which is widely understood and spoken by more than a third of the population 	<ul style="list-style-type: none"> • In 2001, the top three foreign born groups in Hong Kong included Filipinos (6% of the metropolitan population), Indonesians (2%) and British (1%). 	<ul style="list-style-type: none"> • 43% participating in religious activities regularly, and 9.6% of them being Christian

2. Case studies

In the sections that follow we profile some of the best of city's approaches to diversity, integration, and inclusion. In all, we have selected five cities to profile. Each case study begins with an introduction to the city and its region, continuing with a description of its population dynamics and demographic diversity. Each case study then concludes with one or more of the practical approaches and initiatives taken to promote and manage diversity and to reinforce integration and inclusion across the city.

The case studies include examples of interventions in the following fields:

- Employment and labour market,
- Enterprise and business development,
- Childcare and support for the young,
- Linguistic diversity and bilingualism
- School and Adult Education,
- Culture and the celebration of cultural diversity, and
- Trade and minority business growth.

Case study summaries

City	Case study	Brief description
New York City	Abyssinian Development Corporation, the Thurgood Marshall Academy for Learning and Social Change and the Head Start Program	Successfully run neighbourhood development corporation which supports 1) a neighbourhood Middle and High School in a high density minority ethnic area; and 2) a programme which focuses on early education as a means to reduce poverty.
Mumbai	Mumbai Mobile Crèches	Provision of schooling, medical and community services to the most vulnerable and excluded migrant children and their parents
Sydney	Cultural Diversity Strategy (2008-2011)	A framework to co-ordinate and promote diversity activities in the city
Barcelona	Porta22	Targeted employability training and support
Los Angeles	The Los Angeles Minority Business Enterprise Center (MBEC)	Initiative to foster and cultivate the entrepreneurial spirit of ethnic minority groups.
London	Diversity Works for London	Targeted support to and the promotion of minority ethnic businesses
Hong Kong	Bi-literalism and tri-lingualism in Hong Kong	Language policy approach to maintain Hong Kong's strategic ambitions and advantages as well as integrate migrants into the city's socio-economic systems.

Summaries of these case studies are included in the sections below.

2.1 New York

Overview

The city of New York has for many decades been regarded as the consummate diverse and open world city. With a population of 8.4 million, the 'city that never sleeps' is the largest in the United States and the leading node of contemporary globalisation. New York is the core of a larger four-state metropolitan statistical area, with a population of 22.2 million as of July 1, 2009, which was an increase of 4.1 percent over the Census of 2000.

Having been the iconic city of the twentieth century, the first ten years of the twenty-first have seen extraordinary challenges emerge to New York's global positioning. A historic symbol of openness and modernity, and the premier gateway to the American Dream, a sequence of terrorist attacks and financial crises have left the city focussed on retaining its former pre-eminence and renewing its appeal and offer in a changed context. Nevertheless the city is well placed to recover from its recent misfortunes, given its exceptional cultural and educational traditions, institutional strength and specialisation in information services. The city also has the potential to become a champion of economic diversification, quality of life, business-led urban management, sustainability commitment, urban regeneration, and bold leadership direction.

The city has been dependent on the weakened financial services sector, and seeks to enhance strengths in business services, media and information, health, and the creative industries to absorb newly-displaced employment. Most urgently, funding shortages may constrain vital investment in improving the city's quality of life, aimed at retaining its talent and diversity.

KEY AREAS OF GLOBAL STRENGTH

Economic power and scale – Despite recent setbacks in finance, New York remains a staggeringly large, dense and dynamic commercial centre operating on an almost unparalleled economic scale, with an exceptionally deep labour market and skills range.

Enduring creative and cultural vitality – world-class art, fashion and entertainment provision continue to drive New York's brand reputation as the world's most exciting city.

Outstanding city leadership – New York's leaders have cultivated an assertive and resilient governance philosophy, and have succeeded in forging consensus and driving positive action

Centre of international institutional collaboration – the city is home to key sites of international co-operation, including the UN, which provide sources of stability and innovation during future crises and disasters.

Implementable commitment to sustainability - PlaNYC 2030 is a major breakthrough for emissions reductions, with comprehensive funding tools for implementation. Good business case made for green reforms, with a clear opportunity to emerge as a sustainability leader.

KEY CHALLENGES FOR GLOBAL COMPETITIVENESS

Financial regulation – new legislation for financial regulation being considered during the summer of 2010 will be critical to the revival of the financial industry in New York, as well as to its international competitive position.

Quality of life - improvements are vital (and in train) in terms of green public spaces, congestion, interstate mobility, crime, and cleanliness, in order to continue to retain its mobile creative-financial populations.

Lack of decisive national support - struggles to acquire privileged national backing, and has not created the informal institutional channels to effectively lobby for disproportionate federal infrastructure investment support.

Fragmented regional governance – lack of institutional co-ordination means metropolitan plans cannot be effectively implemented, while a culture of competitiveness between states and Tri-state cities remains.

Introduction

New York City stands as a symbol of America's proud immigrant heritage. From its origins as a Dutch trading outpost in the 1500s to its most recent wave of migration from the developing world, New York epitomises the world's understanding of, and appreciation for, open-ness and pluralism, driven by entrepreneurial spirit. The city has long fostered an unusually welcoming climate of tolerance and accommodation. Successive waves of ethnic groups have established themselves in New York and pursued the ladder of upward mobility.²⁴ Many – whether from Italy in the 1900s, Puerto Rico in the 1950s, or China in the 1970s - arrived with low education, rural backgrounds and (often) limited English language skills. Each group in turn, has benefited from formal and informal institutions in New York which have helped new immigrants adjust to life, gain jobs and learn English. Government agencies, church organisations and family networks have been critical to this adjustment process. Since 1945 New York's urban governance has worked continuously to reduce ethnic discrimination and offer new economic opportunities to disadvantaged migrants.

After a slight decline in immigration between the 1930 and 1970, New York has once again opened its arms to new generations of diverse émigrés. The city gained 800,000 immigrants in the 1970s and more than 1 million in both the 1980s and 1990s.²⁵ Increasingly these new arrivals come from outside Europe, most typically the Caribbean, Middle East and South East Asia. This new influx has laid down strong cultural foundations, illustrated by the creation of more than 40 foreign-language newspapers in the city between 1970 and 1990.²⁶

New York's diversity is viewed as an indispensable factor in the city's world city status and success. Despite the trials of the financial crisis and its knock-on effect to business services and tourism in the city, New York continues to be ranked top of global urban rankings, with many indexes pointing to the city's cultural endowment and internationalisation as enduring advantages.²⁷ Immigration is forecast by the Partnership for New York City to fuel the addition of a million more residents and 750,000 new jobs by 2030.²⁸

Global Reach, Openness and International Exposure

Population Dynamics and Demographic Diversity

New York City has long hosted a 'mosaic of social worlds', no more so than today, thanks to the continued growth of immigrant arrivals since the 1970s. Over 3 million foreign-born immigrants currently live in New York, up more than 1 million from the middle of the twentieth century. Immigration is almost solely responsible for the growth in overall city population from 7.1 million in 1980 to 8.4 million today. This immigration, combined with natural internal growth, has considerably outnumbered the domestic outflow to surrounding areas and states in America's North East.²⁹

Only 17% of foreign-born arrivals now come from Europe, the origin of most immigrants prior to 1945. Nevertheless, there are still substantial populations (50,000+) born in Italy, Russia, Ukraine and Poland now living in New York. The largest new population group - as was the case in 2000 - is from the Dominican Republic, with almost 350,000 foreign-born Dominicans residing in the Big Apple, most heavily concentrated in Manhattan. The Caribbean region is responsible for 28% of New York's foreign-born population, with Haitians and Jamaicans also among the highest represented nationalities, these two groups located primarily in areas of Brooklyn.³⁰ Latin Americans continue to be attracted to the city, with currently over 100,000 foreign-born residents from Mexico, Ecuador and Guyana. The other significant influx is from China, with 270,000 people

²⁴ Frederick Beinder and David Reimers (2000), *All Nations Under Heaven: An Ethnic and Racial History of New York City*, p.214-215

²⁵ *Ibid.*, pp.224-226

²⁶ *Ibid.*, p.226

²⁷ Global Urban Competitiveness Report (2007-2008), www.gucp.org ; AT Kearney/Foreign Policy (2008), 'Global Cities Index'

²⁸ Partnership for New York City (2006), 'Growth- or Gridlock?', <http://www.pfnyc.org/publications/Growth%20or%20Gridlock.pdf>

²⁹ New York City Department of Planning (2010): Population, <http://www.nyc.gov/html/dcp/html/census/popcur.shtml>

³⁰ NYC (2008), 'Place of Birth for the Foreign-born Population: New York City and Boroughs, 2008 American Community Survey', http://www.nyc.gov/html/dcp/pdf/census/nyc_boros_08_place_of_birth.pdf

born there now living across the city. The proportion of immigrants from Asia has gradually risen since the 1970s and is now over 25%.³¹

The areas experiencing the largest population gains since 1990 have been mainly the 'outer boroughs' outside Manhattan, in particular in the central Bronx, south-eastern and south-western Brooklyn, and much of Queens and Staten Island.³² The outer boroughs have undergone a dramatic change in ethnic composition in recent years. As some areas have become gentrified or rehabilitated, large numbers of aspirational second-generation established immigrant families, especially of Hispanic origin, have moved there, while new generations of immigrants from Asia and Africa have taken their place, occupying older building stock.³³ Ultimately this has led to the expansion of genuinely 'polyethnic' or 'global' neighbourhoods.³⁴

Presence of global firms

New York is the world's number one city in terms of total numbers of global firms, and remains the most important economic centre on the planet.³⁵ New York hosts a uniquely high concentration of advanced service sector firms in fields such as law, accountancy, banking and management consultancy. Yet the city's capacity to adapt to downturns is vitally aided by its diverse and innovative economy built around a wide range of creative industries, such as media, design, arts and entertainment. By relative concentration, New York is more of a hub for fashion designers, musicians, film directors, artists, and even psychiatrists than for financial professionals.³⁶

After years of certainty about the secure location of global corporate firms, city officials have had to urgently reassess the city's attractiveness to global firms and introduce new economic development policies to match. New York State and City's business tax codes have been described as outdated and complex by business leaders, and are set to instead be more specifically focused on strategic sector-specific incentives.³⁷

Inward Investment

The comparative decline of US economic pre-eminence makes the attraction of foreign inward investment highly significant to the future of the New York economy.³⁸ While New York has performed moderately well in attracting inward capital – especially in finance and insurance - the city has been outperformed by most of its global rivals in recent years.³⁹ London has a much stronger recent record in attracting sovereign wealth funds from countries such as Singapore, UAE, Korea and China.

New York, though, has a highly comprehensive array of business incentives for investment offered at the city, state and federal levels. With many state-level incentives considered quite inaccessible and ineffective at job creation, New York's Economic Development Corporation (NYCEDC) is the primary source of investment incentives, with 60 different approved incentives that it can offer. These range from real estate tax reductions and sales tax exemptions for large job-creating firms, to triple tax-exempt bond financing for firms working on municipal docks/recycling facilities. NYCEDC couples this supply side action with aggressive marketing of the opportunities it offers around the world, and is an exemplar of a highly effective business-focused city agency.

Capturing emerging market

New York has been moderately successful in recent years in capturing business from emerging markets – although some analysts argue that Wall Street's focus on the domestic market has arisen because it does not want listings from emergent economies, with their lower regulatory standards and hence higher associated risks. New York's location is not entirely favourable to attracting emerging market interest from Central and

³¹ The City of New York (2004): The Newest New Yorkers 2000, http://www.nyc.gov/html/dcp/pdf/censusnny_briefing_booklet.pdf

³² New York Department of City Planning, 2004

³³ Susan S. Fainstein and John C. Powers (2006), 'Tourism and New York's ethnic diversity: An underutilized resource?' <http://www.gsd.harvard.edu/people/faculty/fainstein/text/Diversity%20tourism%20edited%20version.pdf>

³⁴ Tarry Hum (2004), 'Immigrant Neighbourhoods in New York City', in Jerome Krase and Ray Hutchison (eds), *Race and Ethnicity in New York City*. London:Elsevier, pp.25-56

³⁵ Global Urban Competitiveness Report (2007-2008), www.gucp.org/admin/WebEdit/UploadFile/Global%20Urban%20Competitiveness%20Report.doc

³⁶ Financial Times (2009), 'Creative New York', <http://www.ft.com/cms/s/0/35970944-fd5e-11d0-a103-000077b07658.html>

³⁷ Partnership of New York City (2009), 'Priorities', <http://www.pfnyc.org/publications/Priorities%202009.pdf>

³⁸ Partnership of New York City (2008),

³⁹ Locomonitor (2008), 'Top 50 cities ranked by performance in attracting FDI 2003-6', www.locomonitor.com

East Asia, given the substantial (8-12 hours) time difference.⁴⁰ However, major opportunities do exist with the growth of Latin American economies.

International institutions

New York's comparative sluggishness in emerging markets is outweighed by its position as the institutional centre of the world – home to the UN's international headquarters and many associated agencies. This puts New York at the crux of global political intercourse, a major contributing factor to its pre-eminent brand status.

Openness to migration

New York is home to arguably the highest density of intellectual capital in the world, ahead of both Paris and London. This has historically been achieved by the city's aforementioned unparalleled openness and attraction to international populations.⁴¹ Despite this iconic legacy, New York's openness to business workers and immigrants has been threatened by tighter visa and border regulations in the USA, intensified by the national debate in the wake of 9/11. Tough US immigration rules have contributed to restrictions on many white collar migrants from travelling to New York. While the city administration and business leaders are working with immigration advocates and national business coalitions to promote federal legislation that would increase availability of professional visas and create a more robust citizenship path for undocumented residents, New York's influence in this regard is limited.

Case Study Initiative: Abyssinian Development Corporation, the Thurgood Marshall Academy for Learning and Social Change and the Head Start Program

Overview

The Abyssinian Development Corporation (ADC) is a community-focussed, highly professional local development agency operating in Harlem, New York City. Unlike many, ADC is a holistic local development agency whose focus goes beyond bricks and mortar to communities and the men, women and children in them. A central and critical piece of this strategy is quality education and access to it. In addition to running affordable housing development, economic revitalisation, family services and civic engagement programmes, ADC operates an education and youth workstream. ADC co-ordinates three main initiatives:

⁴⁰ LocoMonitor (2008), 'Top 50 Cities Ranked By Performance in Attracting FDI (2003-2006)', www.ocoglobal.com/publications/fdi_quarterly_issue_five.pdf

⁴¹ New York Times (2009), 'New York City Sees Fewer Residents Leave for Other States', <http://www.nytimes.com/2009/03/19/nyregion/19census.html>

The Abyssinian Head Start Program (AHSP)

- Serves 144 children and their families, providing quality child care, meals and services
- Embraces mission to enhance educational and developmental opportunities for children and to enhance the delivery of social services to families
- Based on previous success with ADC's first and second Head Start sites, a third Head Start site was awarded and became fully operational in October 2008

Thurgood Marshall Academy Lower School (TMALS)

- Public elementary school currently serving students in Kindergarten through 5th grade. Adding one grade annually since its opening in 2004, TMALS serves 300 students in grades K5th
- A collaboration between ADC, New York City Department of Education, and New Visions for Public Schools

Thurgood Marshall Academy for Learning and Social Change (TMA)

- Public middle and high school, serves 560 students in grades 7 through 12. ADC offers numerous enrichment programs to the students at TMA. In 2010, a 6th grade will be added to the TMA Middle School
- Same collaboration between ADC, NYC Department of Education, and New Visions for Public Schools

These programmes complement one another to provide a holistic educational service to the young of a neighbourhood which have traditionally been seen as New York City's 'have-nots', many of which are from black and minority ethnic groups.

This case study focuses on the stories of TMA and ASHP as catalysts for social and economic integration through the provision of quality educational opportunities. Where possible it will give a practical insight to the on the ground successes and constraints of each.

Thurgood Marshall Academy for Learning and Social Change

*'TMA is a wonderful example of how a community can resurrect a struggling school, build a new facility, and develop a successful academic program.'*⁴²

History, background and vision

The TMA project began in 1992 in response to a request by the New York City Board of Education and New Visions for Public Schools. With the support of the community and the ADC as school sponsor and developer, the TMA opened in 1993. The school began with 100 students in the 6th and 7th grades and grew relatively quickly in size. As the school grew it encountered a lack of space which caused it to move three times. This instability encouraged senior management of the school to look for a permanent building able to accommodate increasing demand.

Despite difficulties, the lobbying effort with City and civic officials led by Principal Dr. Sandye Johnson and the Abyssinian family was successful. The school system offered to lease the new school site from ADC and finance construction using City general obligation bonds. Project leaders then secured \$37.5 million for the project and found a nearby site for the new construction. The new building was the first school not constructed by the New York City School Construction Authority. Instead ADC managed the construction process but building to school system specifications. It was the first High School to be built in Harlem for over 50 years.⁴³ Since its new building opened in February 2004, TMA has grown to 400 pupils and acts a vibrant community centre during out-of-school hours.

⁴²Abyssinian Development Corporation (2010): Thurgood Marshall Academy, <http://www.adcorp.org/tma.html>

⁴³Abyssinian Development Corporation (2010): Thurgood Marshall Academy,, <http://www.adcorp.org/tma.html>

The ADC is committed to providing critical educational opportunities to children in Central Harlem. As such the TMA curriculum strongly emphasises social change and community engagement, as well as focusing on conventional subject areas to prepare for admission to high school and college respectively.⁴⁴

Keynote Project - College Ready Communities

In August 2009, the ADC was selected as one of four to deliver the Deutsche Bank Americas Foundation (DBAF) *College Ready Communities* initiative for middle and high schools. Because of such close links between the TMA and ADC the project has become neatly embedded in the academy. The two year pilot initiative aims to improve educational outcomes for public school students by 'reaching beyond classroom walls.' High quality academic support is provided to a target group of 423 young Harlem students in grades six to eight at TMA. The objectives are to increase attendance, school participation, academic performance and matriculation rates.

While ADC is the lead co-ordinator for project implementation and evaluation, ADC and TMA has formed a collaborative partnership with established organisations committed to affecting positive change in District 5. These groups include two not-for-profit youth development organisations, which in this project provide professional development training for teachers in youth development principles, and organise in-house visits and community workshops for parents.

The ambition in terms of outcomes is set to depend on funding achievements, but nevertheless aims to achieve breakthrough educational results for Harlem children through the support of teachers and parents alongside community engagement and youth leadership development activities.⁴⁵

Other projects within the Abyssinian Development Corporation Education and Youth program⁴⁶

ADC sponsors the award-winning **Annie G. Newsome Head Start Program**, which provides pre-school age children with early childhood education, socialisation skills, healthcare support and a full range of early intervention services. Based on a holistic approach it focuses on the needs of 80 children and their families, engaging the family and community as partners.

The **Gateway Builders Leadership Program** serves teenagers in afterschool and summer programmes by creating age-appropriate activities in environments that foster academic enhancement, cultural discovery, recreational engagement, and leadership for transitions to college, work, and civic involvement.

ADC also administers the city-wide **New York Jeter's Leaders Program** in partnership with the Turn 2 Foundation. Its mission is to develop initiatives that empower young people who live and promote healthy lifestyles free of alcohol and substance abuse, and also show leadership in striving toward academic excellence and social change. The program is designed to offer 35 student leaders from the 5 boroughs opportunities to learn more about themselves and to enhance their ability to deliver a positive message to their peers. The idea is for each student to engage in self-reflection through practical leadership skills development and application.

Partnerships

To strengthen the position of the school and to widen its accessibility and offer, TMA has formed a number of strategic partnerships. TMA has a strong relationship with a local **Wellness Center** developed by the New York Presbyterian Hospital, which helps to provide access to trained medical staff throughout the year. The school's physical education curriculum is co-ordinated by the **Jackie Robinson Youth Center of the Harlem YMCA**, through which every student is offered membership and access to the YMCA after school. TMA also hires TMA graduates to work on programmes with elementary school, as a means to show students the importance of progress.

⁴⁴Abyssinian Development Corporation (2010): Programs, http://www.adcorp.org/programs.html#2_4

⁴⁵ Abyssinian Development Corporation (2009), Middle School College Ready Community Initiative (2009), Abyssinian Development Corporation

⁴⁶Abyssinian Development Corporation (2010): Programs, http://www.adcorp.org/programs.html#2_4

Facilities

Opened in 2004, the new school building is a state-of-the-art facility. Designed to be more than a school, its entire ground floor is community oriented space, including outreach rooms, a computer lab, and conference space.⁴⁷ The building is designed to effectively support TMA's learning programme. An open Galleria encourages maximum interaction, while rooms are designed to facilitate more flexible classroom settings. In all, the school provides a very effective environment to provide targeted and well-rounded support to young members of the Harlem community, one of the highest densities of African-Caribbean New Yorkers in the city.

Summary

Since the relocation of TMA to its new location in 2004, and with the continued support of ADC, the institution has gone from strength-to-strength. With its studentship now over 400 strong and with average daily attendance over 90% (above city rates), 100% of seniors being accepted into college, and high demand for places at the school, the signs suggest that TMA will continue to drive positive change in one of New York's most challenging minority areas. TMA also provides a vision of what a more holistic conception of a school can achieve, open as it is on Saturdays on week nights to facilitate community activity, support and cohesion.

The TMA demonstrates the importance of introducing community service components to diversity and opportunity initiatives. As well as a required 100 hours of community service to complete their graduation, there are constant learning mechanisms and events – community walks, local institutional visits - to bring students into local community contexts. The attempt to foster a sense of connection to a live community has successfully reached out to students and enabled them to think about their role in the family, community and society. This vision is now being pursued through provision of the International Baccalaureate framework for grades 7 to 10, which as well as increasing rigour, is exposing children to other cultures and ways of thinking.

The Abyssinian Head Start Program (AHSP)

“As we do outreach for the Head Start program, we do it for the community at large. The area has experienced a large influx of families from Africa and Latin America and so, naturally, Head Start has become an important tool to engage with and integrate migrants into the local community”⁴⁸

History, background and vision

Head Start is a federally-funded programme which focuses on early education as a means to tackle long-term poverty. Focussing on children aged 3-5 it takes a comprehensive approach to early childhood education. As well as directly supporting children, Head Start staff also work with low income and migrant families.

To broaden the access to the programme, limited eligibility is extended to children from families which fall outside the low income threshold. Though there is a target of only 10% of participants from higher income groups, because demand is so high it is difficult to keep to this figure. In 1993, ADC ran only one Head Start Centre, but it now runs three and is one of the largest providers in New York working with nearly 150 families. Having worked in education for 17 years, ADC's practices have come to embody the sustainable community development model.

The integration of the Head Start Program into ADC's mainstream educational offer was in large part the result of the recognition by ADC that it had a gap in its educational services. Having embraced the Head Start Program from 1993 and with the incorporation of the TMALS in 2005, ADC consolidated its offer providing a comprehensive 'education corridor' from Pre-School through to the end of High School.

Because of the holistic approach that Head Start adopts, ADC found that the Program was a compelling mechanism to spread the benefits of high quality education to families and the wider community. According to Kim Reed, Vice-President of Programs at ADC, Head Start plays a critical role for new families arriving in the

⁴⁷Abyssinian Development Corporation (2010): Thurgood Marshall Academy, <http://www.adcorp.org/tma.html>

⁴⁸Reed, K (2010): Personal communication, Abyssinian Development Corporation

area. The scheme 'ensures that we are connected to the local community. We are able to get to know who we engage with, who they are and where they have come from.'⁴⁹

Like the TMA, Head Start also focuses on the role of parents, and adopts the approach that the parent is the child's first teacher. Parents are required to provide in-kind contributions in the form of volunteer hours. The programme is really designed to reach families below a set income threshold, specifically targeting those children who are not regularly exposed to educational learning environments.

Approximately 40% of ADC's participants are immigrant families. Many originate from French-speaking Africa and Central America. To engage with migrants effectively, ADC operates on the ground with innovative strategies capable of being sensitive to diverse needs. The programme prioritises an effort to embed the varied cultures into the curriculum, not just to improve understanding but out of respect for the families who have arrived in New York.

One of the key lessons of the Head Start programme is the role of overcoming language barriers in order to engage effectively with immigrant families. At first the scheme co-ordinators found that many parents were inclined to just drop their children outside the school and not immerse themselves in any way in the life of the school. The co-ordinators learnt that the parents' reluctance to participate stemmed from a perceived inability to communicate. Since 2006, ADC has worked hard to use language to promote confidence and encourage families to cross the threshold.

As a result ADC ensured that employed staff would reflect the cultural diversity of the children and parents involved at the school, such that family members could communicate their needs and concerns effectively. In addition, ADC worked flexibly with families from different cultural backgrounds. For instance, to avoid interfering with the business activities of African women who braided hair, ADC changed the times of the Head Start programme to suit their work timetable. Other women, from different cultures, are not allowed to work and ADC adjust the programme accordingly. Other significant steps to encourage integration and effective participation of migrants in the Head Start programme include assisting migrants with English skills to communicate with teachers and helping them to navigate relevant systems in order to engage with services.

Subsequently participation from migrant family groups picked up considerably. The message from this experience is that city agencies working on diversity need to reflect on whether they are imposing norms that are unattainable or incommensurable with migrant families' needs and expectations.

Conclusion

The sense of community cohesion that Head Start fosters is only reinforced by other education programmes run by ADC like the Thurgood Marshall Academy. At every turn, there are examples through ADC's programmes of cultural competency and sensitivity. ADC is proof positive that work at the human level, as intimate as one-to-one support, can generate a base for community inclusion at the neighbourhood scale and beyond as well as creating the foundation, cohesion and vibrancy for sustainable economic development. For Kima Reed at ADC, 'that is what it is all about.'⁵⁰

⁴⁹Ibid.
⁵⁰Ibid.

2.2 Mumbai

Overview

Once a predominantly textile manufacturing hub, Mumbai is widely recognised as the business capital of India. The largest city in South Asia, Mumbai metropolitan region (MMR) is comparable in size (4,355km²) to the metro regions of Los Angeles and Shanghai, and has an urban population of 21 million. This figure is projected to rise to 26.4 million by 2025, placing Mumbai as the future 2nd largest metropolis behind only Tokyo.

Mumbai and India's leaders are clearly striving to achieve the vision for Mumbai to emerge as India's world class city in the next two decades. Authorities are seeking world-class status through job-creating growth and a comfortable quality of life, alongside preservation of the city's unique attributes. The city has specifically emphasised the importance of avoiding the temptation to refashion Mumbai as another Shanghai or Hong Kong or Singapore. Mumbai's transition towards a service-based economy and a global financial centre is being facilitated by new legislation and long-term infrastructure strategies. Access to a huge and growing hinterland, coupled with institutionalised democracy and the rule of law gives Mumbai a firm platform for success. The recently announced city modernisation plan and significant investment in upgrading the city's airport, developing a multi-modal transport system and developing a Mumbai Metro are projects designed to further elevate Mumbai in the global consciousness.

Mumbai still faces many complex challenges if it is to become more than a national centre of commerce. Key among these are a serious governance deficit and highly fragmented planning agendas, combined with the fact that the city contributes significantly to state government revenues but receives little state-funded capital expenditure in return. Further streamlining regulatory systems are required to improve the ease of business, while the city is yet to generate wide-scale attention from talented, highly mobile international workforces. To ensure Mumbai's citizens benefit from its development, concerns of a rapidly growing population, environmental deterioration and high levels of squatter housing must also be addressed.

KEY AREAS OF GLOBAL STRENGTH

Business and finance capital of world's 2nd fastest growing major economy – Mumbai is India's key finance hub and the country's major growth driver as it prepares to become the world's 3rd largest economy by 2050

Emerging gateway city with prospects for spatial growth – the city has emerged as a gateway to India, the Middle East and South Asia. Unencumbered access to a vast hinterland within Maharashtra state and India at large facilitates large-scale population and economic growth

English-speaking city with strong legal framework – Mumbai is well-versed in the international language of business, while the city's democratic status and decentralised system of government is an attractive investment alternative for Western firms

Creative sector leadership – Mumbai has the nascent infrastructure and identity to become the Los Angeles of the East in terms of film and television pre-eminence

Mumbaiker spirit – Whatever the challenge faced there is a spirit of resilience to the City of Mumbai and its people that is a key ingredient to its success.

KEY CHALLENGES TO GLOBAL COMPETITIVENESS

Governance deficit – fragmented and contested planning strategies at various tiers, while the city-region is heavily dependent on state revenue redistributed mostly outside the city. Given Mumbai is the nation's economic capital authorities can be reluctant to co-operate as they try to maintain their share of the 'pie'. Consequently road and rail infrastructure is insufficiently regulated and poorly maintained.

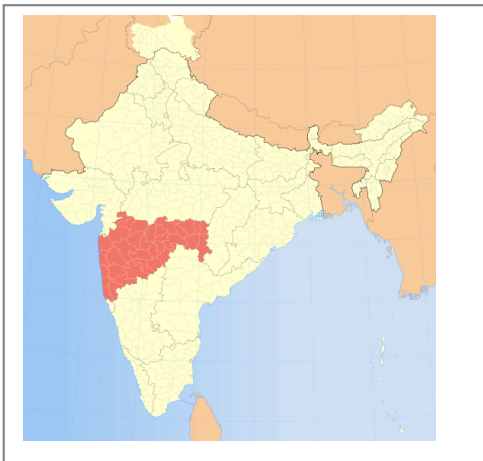
Attracting and retaining international talent – professional classes continue to prefer Hong Kong, Singapore and even Shanghai as business destinations. Mumbai's distinctive offering could be more decisively articulated, although the return of the Indian diaspora prompted by the crisis highlights its increasing competitiveness in this area.

Slum development – the poor lack access to serviced land, leading to illegal unplanned growth along regional rail corridors. Almost half Mumbai’s population are slum dwellers.

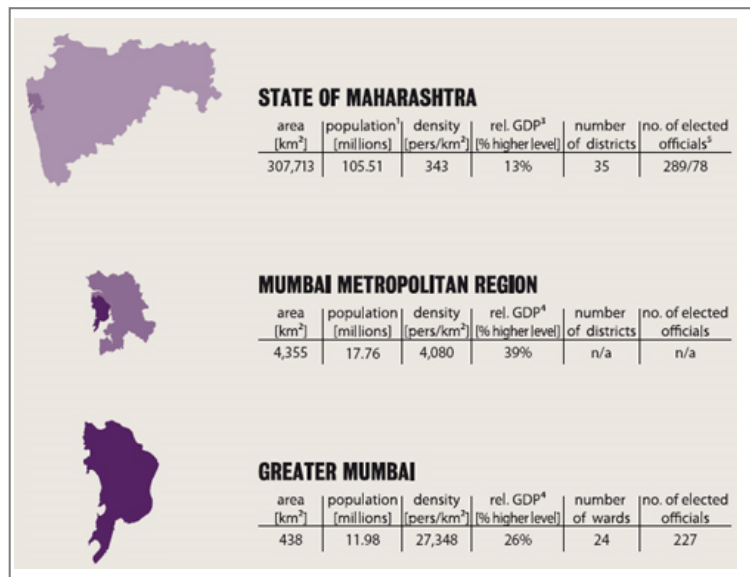
Introduction

A bustling port city situated on the Arabian Sea, Mumbai is as ambitious as it is densely-populated. Mumbai’s position on the global stage has undergone extensive change in the last thirty years, and it is now one of the strongest industrial and commercial bases in the region with outstanding labour and social capital potential. Manufacturing enterprises have gradually been replaced by service-based businesses in sectors such as finance, IT, telecom, tourism, entertainment, advertising and communications.

The situation of the City of Mumbai and State of Maharashtra in India⁵²



Administrative tiers in the Mumbai metropolitan-region⁵¹



Mumbai’s recent aspirations to become a world class city were first manifested with a report on Mumbai’s future by the citizens’ group Bombay First and McKinsey & Co in 2003. The report detailed what Mumbai had to do to become a world-class city by 2013, identifying the threat to the city’s huge potential from ‘its swelling population, deteriorating environment, income disparities and lack of funds.’ A six pillar strategy for Mumbai’s development has since been created, based on progress in economic development, housing, physical infrastructure, social infrastructure, governance and financing. While there are 40 planning authorities in the region responsible for micro-level planning,⁵³ overall regional strategy is the remit of the Mumbai Metropolitan Region Development Authority (MMRDA), which aims to achieve balanced regional development through the promotion of alternative growth centres, the strengthening of infrastructure and the provision of development finance.

While not possessing a history of substantial international migration, Mumbai has been greatly enriched by diffuse cultures arriving from both north and south India. For over a century Mumbai’s population has comprised an eclectic mix of communities from a variety of religious and tribal backgrounds. Mumbai’s recent history of immigration began in the post-Independence era. In the 1960s and 1970s, the city witnessed an influx of largely well educated southern Indians seeking white-collar office jobs. This population later became the leaders of the rising middle class of the city in the 1980s. Meanwhile migrants from north India have tended to occupy lower-status jobs, and for example comprise a substantial proportion of the current taxi driving population. While many culinary staples were introduced by migrants from the post-Independence generation, immigration has also provided a rich density of intellectual and cultural capital to propel Mumbai onto regional and global prominence.

⁵¹ Urban Age (2008), <http://www.urban-age.net/>

⁵² PlaneMad/Wikipedia (2009): http://en.wikipedia.org/wiki/File:India_Maharashtra_locator_map.svg

⁵³ ‘Regional Setting’ Municipal Corporation of Greater Mumbai

'In India, internal migration among multiethnic states raises many of the same citizenship issues as international migration does in the West. Historically, there have been several Indian "sons of the soil" movements that illustrate how internal migrants are often treated as outsiders in their new state.'

Rameez Handy, Johns Hopkins University

Global Reach, Openness and International Exposure

Mumbai has a long and distinguished history of international trade and financial services. Its port location and airport infrastructure present clear opportunities for improved external trade since India's commitment to the WTO regime. While the city remains a third tier finance, business and talent hub according to global city indexes, its multi-lingual capacity and pre-eminent status in the world's 2nd largest country are crucial catalysts to deepened global interconnections. That said, the spread of English has yet to be universalised across the city, with many indigenous poor and low-paid migrants unable to send their children to 'English medium schools.' Mumbai requires enhanced teaching facilities for English as the medium of communication if the proportion of citizens eligible for the global knowledge economy is to be maximised.

Population Dynamics and Demographic Diversity

Mumbai's population size and composition has shifted according to its historical transformation from originally a fishing community, to a colonial node at the centre of the global textile industry, and most recently to India's commercial, informational and financial hub.⁵⁴ A startling increase in population fuelled by both migration and natural increase has accompanied this evolution. With a population in 1950 of just three million, during the second half of the 20th century population growth rocketed in the central city, reaching almost 12 million by 2001, and close to 14 million by 2010,⁵⁵ while the metropolitan population now exceeds 21 million.⁵⁶

Most of Mumbai's population growth is attributable to internal development rather than external migration, but the city does still continue to attract vast numbers of skilled and unskilled workers from the rest of India. A sizeable proportion – hovering around 30-40% - of migrants arriving in Mumbai over the last half century have been from the surrounding state of Maharashtra. The majority of the rest have moved from other areas of India.⁵⁷ The diversity of culture, language, status, religion, ethnicity and wealth between local Mumbaikars and migrants is therefore pronounced.⁵⁸

Currently over 5 million of the city's population did not originate from Mumbai.⁵⁹ Most of the new growth has been absorbed in areas peripheral to the City such as Thane, Navi Mumbai, Mira-Bhayander and Kalyan, but the sheer scale of expansion has caused Mumbai to suffer from overcrowding, basic service provision pressures, informal housing and inequality.⁶⁰ The government is unable to provide services to the overwhelming majority of the migrant population.

Presence of Global Firms

Despite highly expensive office space,⁶¹ Mumbai is of increasing attraction to global firms, especially in the banking industry.⁶² High-end industrial sectors are attracted by the city's Special Economic Zones, and the city-region is well placed to capitalise on the market growth of precious metals, jewellery, and fashion goods.

⁵⁴ Parasuraman (2007): Uncovering the Myth of Urban Development in Mumbai, http://www.urban-age.net/10_cities/07_mumbai/_essays/mumbai_Parasuraman.html

⁵⁵ Mumbai Metropolitan Region Development Authority, (2003): Regional Plan, (<http://www.regionalplan-mmrda.org/N-3.pdf>)

⁵⁶ World Gazetteer (2010): India: <http://www.world-gazetteer.com/wg.php?x=&men=gcis&lng=en&dat=80&geo=-104&srt=pnan&col=aohdq&msz=1500&va=&pt=a>

⁵⁷ Parasuraman (2007): Uncovering the Myth of Urban Development in Mumbai, http://www.urban-age.net/10_cities/07_mumbai/_essays/mumbai_Parasuraman.html

⁵⁸ Mehta (2004): Quoted in Wikipedia, (http://en.wikipedia.org/wiki/Mumbai#cite_note-231)

⁵⁹ Parasuraman (2007): Uncovering the Myth of Urban Development in Mumbai, http://www.urban-age.net/10_cities/07_mumbai/_essays/mumbai_Parasuraman.html

⁶⁰ Ibid.

⁶¹ Reuters (2008), 'London is world's priciest office location', February 13th, <http://uk.reuters.com/article/businessNews/idUKL1234808620080213>

⁶² 'Global 500 Cities' Fortune Magazine (July 2008) (<http://money.cnn.com/magazines/fortune/global500/2008/cities/>)

Global firms are to some extent deterred by the city's business climate. There has been a historic lack of a supporting legal and regulatory framework to facilitate investments, with chronic delays experienced in registering companies. This framework is currently being improved, and Mumbai aims to offer tax rates competitive with regional rival Singapore and Hong Kong.⁶³ This, alongside the office infrastructure and quality, will be the key ingredients for Mumbai's medium-term attraction.

Inward Investment

Mumbai is among the leading cities in Asia for attracting greenfield FDI projects, according to figures from Locomonitor.⁶⁴ The city boasts a growing number of Foreign Institutional Investors (FIIs) and merchant banks, enabled by new relaxation of investment restrictions on civil aviation, construction development, petroleum/gas, commodity exchanges, credit-information services and mining sectors. There remains room for improvement in terms of permitting greater foreign investment in politically sensitive areas such as insurance and retailing. In general, India's foreign investment policy is fairly liberal, allowing up to 100% foreign investment in most sectors although some sectors have caps on FDI.⁶⁵

Success in Capturing Emerging Markets

Mumbai does not focus its strategies on engaging with other emerging markets. The city has though recognised the important strategic role this will play, in terms of offering Russian, Gulf and Chinese markets opportunities for trade routes that are 'safe, cost-effective, and less prone to geopolitical impediments.'⁶⁶

Openness to Migration

Mumbai is increasingly concerned to match East Asian competitors in terms of attracting foreign populations. The Municipal Corporation of Greater Mumbai (MCGM) suggests that the critical driver for attracting such population groups to Mumbai will be 'its robust capacity to absorb, provide/sustain livelihoods and its versatile culture base, which supports any new entrant to the city to comfortably associate and mix with the residents.'⁶⁷ In this sense Mumbai's authorities have shifted focus towards valuable knowledge workers who can provide the competitive edge in financial services. The city's HPEC report recognises that improved provision for affluent, mobile, and multi-culturally inclined professionals - in terms of their habits, tastes and preferences – must be developed. This is to be provided in the form of world-class living and recreational facilities, alongside international standards of infrastructure and urban governance set by Shanghai and Singapore. The city has accepted a certain degree of social tension that could accompany large-scale immigration of affluent populations as a necessary corollary of entering the battle for the 'globally mobile (globile) finance workforce.'⁶⁸ Four themes were put forward by the report:

Four action areas for enhancing international attractiveness

Aim	Problems	Example Measures
Dramatic improvement in urban infrastructure	Crumbling housing in dilapidated buildings Poor road/rail mass transport facilities Absence of much-needed water-borne transport Lack of high-speed roads and urban motorways Poor provision of power, water, and sewerage infrastructure	Improve the quality of airports, national airlines, and increase connectivity to all global finance hubs Provision of high-quality residential, commercial, shopping and recreational space
Cosmopolitan	Lack of ethnic tolerance, aspects of	User-friendly visa/ resident permit

⁶³ 'Doing Business in South Asia 2007' World Bank (2007) (<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:21217344~pagePK:146736~piPK:146830~theSitePK:223547,00.html>)

⁶⁴ OCO Consulting (2008), 'What's new in OCO' http://www.ocoglobal.com/publications/fdi_quarterly_issue_five.pdf

⁶⁵ 'Freeing foreign investment' The Economist (February 2008) (http://www.economist.com/daily/news/displaystory.cfm?story_id=10637146)

⁶⁶ 'The politics of trade routes' The Hindu Times (August 2007) (<http://www.hindu.com/2007/04/30/stories/2007043003021100.htm>)

⁶⁷ 'Versatility of Mumbai' MCGM

⁶⁸ HPEC Report on Making Mumbai an International Financial Centre (2007), <http://finmin.nic.in/mifc/bibliography.html>

metropolis	unwelcoming culture at governmental and social levels	mechanisms All arms of government made expatriate-friendly
International-class lifestyle facilities	Inadequate hospitals and health system Under-developed educational facilities at all levels	Improved recreational facilities – e.g. non-cricket sports stadiums, entertainment hubs Mature cultural institutions such as museums, art galleries
Improvement of municipal and state governance	Poor personal security and law enforcement	Easing of regulatory restrictions

Case Study Initiative: Mumbai Mobile Crèches

Overview

The construction sites of Mumbai symbolise a city of two extremes: an aspiring, affluent metropolis growing at a furious rate and a Mumbai of migrants, poverty and exclusion. In reality, the divide is more nuanced. The construction industry in Mumbai employs some one million low-skilled labourers. Without its migrant workforce, the city's skyscrapers would not be built, but without the skyscrapers these aspiring migrants would lack a means to escape poverty. This is not to say that the situation is not sub-optimal. Approximately 40% of construction labourers live on these construction sites.⁶⁹

⁶⁹ Mahadevan, D (2010): Personal communication, February 2010

They are the most vulnerable communities in the city. Dangerous, under-serviced and over-crowded, a growing minority of Mumbaikars which are largely unseen and unsupported through formal mechanisms are forced to call these construction sites home. Migrant communities are building Mumbai's new luxury apartments, offices and hotels, and yet have no place to call home themselves.

Mumbai Mobile Crèches (MMC) supports the young children of these migrants working in the construction industry in Mumbai. Through the operation of 26 day centres across the city, the organisation nurtures perhaps the most vulnerable of all Mumbaikars by providing schooling, healthcare and mentoring to children aged 0-14 years old. More than a school, these day centres act as a pillar of support for the communities in which they are situated, providing them with not only valuable services but a sense of identity that would otherwise be absent.

'The people that build our homes have no permanent home of their own. In fact, they don't really have much of a space in the city at all.'

Devika Mahadevan, Chief Executive, Mumbai Mobile Crèches

History, background and vision

First inaugurated in 1969, MMC is one of the few NGOs in India to specifically support the 'health, education and safety of children of construction workers,' of which there are over 1 million in Mumbai. Running day centres and day service programmes in construction sites and in slums, MMC has reached out to over 650,000 children in Delhi, Mumbai and Pune since it first began. To meet demand, MMC divided into three in April 2007: Mumbai Mobile Crèches, Mobile Crèches (Delhi) and Tara Mobile Crèches (Pune). Though these branches do communicate with one another they are largely autonomous.

MMC's vision is 'for all children to have a nurturing and happy childhood.' The organisation's mission is 'to promote 'child-friendly sites'; where every child living on a construction site is safe, healthy and educated, and able to enjoy their childhood.'⁷⁰ It organises its work around three programme areas:

- Education,
- Health and nutrition, and
- Community outreach and embedment.

Education

MMC's education programme selects a theme each month around which all language, maths and creative activities are organised. For the youngest children (under threes), there is a focus on learning through playing. The preschool programme (for three-five year olds) begins to teach reading writing and arithmetic through slightly more structured activities.

With the partnership of the Government of India's Sarva Shikshan Abhiyan scheme (Education For All scheme), the organisation's bridge course supports children to enter formal schooling, by for instance consolidating their knowledge of the local language. Support continues after leaving MMC; once enrolled in formal schools, special care is taken to help with homework and to offer scholarships for further study and vocational subjects. Special needs are catered for through established links to expert organisations.

Health and nutrition

MMC's health programme involves preventative, curative and rehabilitative care. It includes special diets and monitoring for malnourished children, organisation of monthly immunisations, health camps to check eyes and dental care, and financial support for hospitalisations and surgeries.⁷¹ In this respect the day centres aim to

⁷⁰ Mumbai Mobile Crèches (2010): About Us, (<http://www.mumbaimobilecreches.org/aboutus.htm>)

⁷¹ Mumbai Mobile Crèches (2010): Our Programme, (<http://www.mumbaimobilecreches.org/aboutus.htm>)

provide migrant children with access to mainstream rights so as to enhance confidence and reduce invisibility and vulnerability.

Community outreach and embedment

Integrating and embedding its activities into the source community is a key goal for MMC. Community outreach overlaps heavily with its agenda of encouraging better parenting. Here the MMC works to provide childcare training, offer an informal place for relaxation and entertainment, and give informational courses on issues such as family planning, AIDs and drugs.

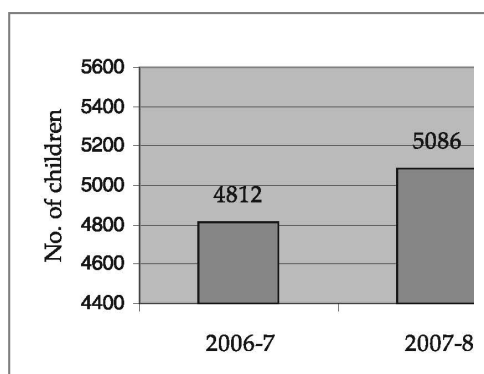
Evidence of impact

Overview

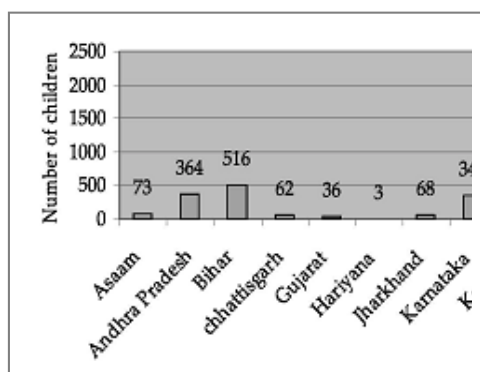
With 26 day centres across the city, MMC engaged with over 5500 children in 2008-9, up 10% on the previous year. Over 1300 children attend the centres daily, and while the majority only stay for less than three months, more than one in ten are supported by the MMC for over six months. The organisation hopes to reach closer to 10,000 of Mumbai’s most vulnerable children.

An examination of the geographical origins of the children shows a high degree of diversity. From no less than 17 different Indian States, and with many attendees speaking different languages and used to different cultural practices, teachers have the difficult task of tailoring activities to individual children.

Children reached since Mumbai Mobile Crèches began as an independent entity⁷²



State origins of children reached 2009⁷³



⁷² Mumbai Mobile Crèches (2009): Annual Report 2008-9 (<http://www.mumbaimobilecreches.org/Pdfs/annualreport2009.pdf>)

⁷³ Mumbai Mobile Crèches (2009): Annual Report 2008-9 (<http://www.mumbaimobilecreches.org/Pdfs/annualreport2009.pdf>)

MMC has made excellent strides in enabling migrant children to assimilate into mainstream education. In 2009 a significant number of children (320) were successfully integrated into local municipal schools, while a small number (37) were offered scholarships to continue further education.

The Creches have expanded their range of medications, building closer links with municipal health centres, and thus significantly reducing negative health symptoms. The expansion of street theatre programmes have also been a catalyst of community expression and solidarity.

Resources

MMC's centres are invariably established in rooms on the construction site itself. They vary in quality, because of space pressures, building quality and the attitudes of site operators. Nevertheless they strive to provide a safe and comfortable environment in which to support child development and nurturing of educational capacity. This is also achieved by the centres relieving older children from the burden of child care.

Each of the organisation's 26 centres is open six days a week and managed by specially trained staff. Described by the MMC as 'cheerful, lively places, filled with song and laughter,' the centres offer a critical food source and weekly health check-ups.

Despite the recession, and the scaling back of ambitious engagement and expansion plans, the balance sheet for 2008-2009 was healthy for Mumbai Mobile Crèches. In total, the organisation has a budget of just over €250,000, up from €217,000 in 2007-2008.

Working in Partnership

Government

Within government, MMC works alongside a number of departments on specific initiatives. The box below illustrates what these initiatives are and how Mumbai Mobile Crèches partners with public bodies:

Mumbai Mobile Crèches collaboration with government

- **Integrated Child Development Services (ICDS)**, implemented under each state's Women and Children's Department, is a national programme which mandates preschool as well as supplementary nutrition for children under six, pregnant and lactating mothers. Mumbai Mobile Crèches has recently partnered with the ICDS to include, for the first time, the migrant child in their work. The Government of Maharashtra is the key partner for this initiative and over 1,000 children under six were reached within a single year.
- **Sarva Shikshan Abhiyan (SSA)**, implemented by the City of Mumbai Education Department, is a national government campaign to ensure that all children from 6 to 14 are integrated into municipal schools. MMC runs SSA classes in all our centres and integrate these children into local schools.
- **The Public Health System**, MMC links with local municipal health posts to organise immunisations, health check-ups and subsidised hospitalisation and treatment for children and their families.
- **The Labour Department** is mandated to implement the Construction Workers and Other Building Workers Act that provides many social services to construction workers.

Non-Governmental-Organisations

MMC benefits from considerable support and knowledge exchange from other civil society bodies. **Bhavishya Alliance** combats child malnourishment and is a key partner on the ICDS. It has facilitated MMC's conversations with the co-ordinators of ICDS and various tiers of government. Meanwhile **CORO** runs a Centre for Leadership in the city and awarded three fellowships to MMC's community teachers. Finally **Robin Age**, a children's newspaper has supported MMC in the redesign of the child-to-child programme. Robin Age facilitated the increase of exchanges between children at different schools in the city, resulting in two of

Mumbai's elite schools in the city visiting Mumbai Mobile Crèches day centres monthly. In each case there has been an effective pooling of resources to produce unlikely outcomes.

Private Sector

The private sector is a key partner of MMC. Though engagement takes place with a wide range of private actors, the most important private partners are the construction firms and workers that they interact with on a daily basis. Since its creation the organisation has worked with over 75 construction firms to facilitate the effective operation of on-site day centres. In addition, MMC works with associations of builders and contractors such as the Maharashtra Chamber of Housing Industries to lobby for children's rights on construction sites.

Plans for the future

The economic crisis has had little impact on the long term stability and effectiveness of MMC, despite negatively impacting attempts to expand the number of centres in Mumbai during 2009. The organisation continues to move forwards with confidence and has been strengthened through a series of initiatives. They included:

- Enhancing communications tools: MMC reviewed and improved its logo, newsletter format, website, and brochure to ensure clarity of communication.
- Clarity of strategy: The organisation has grown successfully over the past four years largely independent of public sector support. This is largely because MMC has consciously worked to consolidate and provide greater clarity to its overarching strategy. In other words, the organisation has a focussed sense of itself and of its purpose. This clarity has made MMC case for funding more powerfully and provided unity to its leadership team and frontline staff. In early 2010, the organisation had the goal of expanding its operations, predominantly through the creation of more day centres across the city.
- Financial expertise: To improve financial efficiency and procedures MMC hired a Finance Manager in 2009.
- Research capability: To craft and implement services as effectively as possible MMC employed a Research and Documentation Officer in 2009.

As well as trying to expand service delivery to new areas of the city, MMC is driving towards a more quantitative, higher resolution approach to monitoring its impact. Attempts are being made to record activity across all centres and even with each child the organisation engages with.⁷⁴

⁷⁴ Mumbai Mobile Crèches (2009): Annual Report 2008-9 (<http://www.mumbaimobilecreches.org/Pdfs/annualreport2009.pdf>)

2.3. Sydney

Overview

Situated in one of the world's most impressive natural harbours, Sydney is 'Australia's iconic face to the world.' Historically Australia's major host of European and later Asian immigrants, Sydney has emerged in the past two decades as a regional commercial centre excelling in arts, fashion, entertainment, education and tourism. Improving in many global city index rankings, it was described as Australia's only world city as early as 1994 and is now classified as an elite Alpha+ city alongside Tokyo, Beijing and Shanghai. It sits within a wider metropolitan area of 12,000 km² and has a population of 4.5 million.⁷⁵

Sydney has become Australia's key mobility hub and primary link with the world economy, attaining unprecedented global recognition by hosting the 2000 Summer Olympics. Its outstanding climate, beaches and dynamic outdoor-orientated lifestyle contributes to it performing among the best cities globally for quality of life and brand reputation. But underpinning this reputation is an economy which is now highly diverse, productive and competitive at a global level, with regional excellence in finance, information, media and creative industries.⁷⁶ Even in the recent financial crisis Sydney has demonstrated its capability of producing positive figures thanks to its stable location for financial institutions. Sydney's success is not purely attributable to the worldwide 'West-East' realignment current occurring. Its growing informational and strategic significance has been achieved by strong leadership and an innovative model of governance which has directly sought to compete globally against other nodes of globalisation.⁷⁷ This is indicated by Sydney's newest urban strategy, the Sustainable Sydney 2030 Vision, which sets out to create a 'green, global and connected' metropolis capable of challenging urban leaders like New York and London. Green values are the centrepiece of this master plan, which seeks to situate sustainability at the core of Sydney's competitive and innovative edge.⁷⁸

Despite the city's obvious successes, Sydney's population growth has led to public service delivery problems, rising unaffordability, transport congestion and aging infrastructure in urgent need of upgrade.⁷⁹ The city is seen to lack a spatial focus for people to meet and congregate and requires careful urban management moving forwards.⁸⁰ Sydney lacks a clear strong regional authority to advocate and coordinate policy and initiatives to promote Sydney as a brand and infrastructure development. It is clear that the city's most enduring problems may be unsolved without better advocacy at national level and knowledge exchange with other Australian and advanced international cities.

KEY AREAS OF GLOBAL STRENGTH

High quality of life - Despite recent grievances, the combination of the Australian active and outdoors culture with Sydney's physical setting, cultural endowment, economic activity and high levels of public amenity makes the city one of the world's most attractive and liveable propositions.

Globally recognised city brand – iconic architecture, impressive (tourist and business) image development and self-conscious competitive positioning has rendered Sydney highly popular among affluent tourists and knowledge workers. Sydney is invariably equated with cosmopolitanism and progressive modernity

Entrepreneurial governance – Sydney's coalitional mode of governance has produced entrepreneurial flair and innovation in the fields of business attraction and global positioning

KEY CHALLENGES TO GLOBAL COMPETITIVENESS

⁷⁵ City of Sydney (2010): Sydney at a Glance, <http://www.cityofsydney.nsw.gov.au/AboutSydney/CityResearch/AtAGlance.asp>; Australian Bureau of Statistics (2008): Year Book Australia, <http://www.abs.gov.au/AUSSTATS/abs@.nsw/DetailsPage/1301.02008?OpenDocument>; Saskia Sassen (1994), *Cities in a World Economy*, Thousand Oaks: Pine Forge Press

⁷⁶ City of Sydney (2010): Sydney at a Glance, <http://www.cityofsydney.nsw.gov.au/AboutSydney/CityResearch/AtAGlance.asp>

⁷⁷ M Acuto (2009), 'Green Global City: The Power-Geometry of Sydney's Environmental Governance', <http://www.lboro.ac.uk/gawc/rb/rb327.html>

⁷⁸ Ibid.

⁷⁹ Sydney Morning Herald (2006): Sydney: nice place to visit, wouldn't want to live there, <http://www.smh.com.au/news/new-south-wales/sydney-nice-place-to-visit-wouldnt-want-to-live-there/2006/12/11/1165685595287.html>

⁸⁰ City of Sydney (2008): Sustainable Sydney: 2030, www.cityofsydney.nsw.gov.au/2030/documents/2030Vision/2030VisionBook.pdf

Sustainability of growth and success – Planning for migrant-fuelled growth requires prudent investment in infrastructure, housing and transport to prevent a breakdown in public service delivery.⁸¹

Lack of a tangible and symbolic city centre – Sydney's central district has a loose grid pattern and lacks a critical centre of mass. The city centre's potential as a vehicle for generating tourist dollars and civic pride is not yet fully tapped.⁸²

Lack of direction and cooperative outreach - Sydney lacks a metropolitan-wide system of government, with the overall conurbation split into 39 local government authorities in a relatively weak legal position. Relying overly on ad-hoc strategies, the city has not optimised possibilities for cooperation either with other cities or with different levels of governance.

Global Reach, Openness and International Exposure

Sydney's expanded global reach since the 1980s has been enabled by a combination of globalisation's condensing of space and time, and the exceptionally lucrative marketing and events strategy. Australia's role in global economic processes has been enhanced by 24 hour trading and the rise of nearby Singapore and Japanese and Chinese finance centres. Sydney's density of cultural and intellectual institutions helped it to emerge ahead of Melbourne as a financial centre, and since the mid-1990s, its CBD has become a significant finance-insurance hub based around the Reserve Bank and the Australian Stock Exchange.

Moreover, Sydney's government has branded the Sydneysider lifestyle as rooted in cosmopolitan flair and affordable urban living. This has enabled the city to appeal to both transient visitors from Europe, America and East Asia, and also to corporate knowledge workers seeking an optimal balance of career prospects and quality of life. Icons such as the Opera House and Bondi Beach have been branded highly successfully, while the city has focused on high-profile events such as Mardi Gras and New Year's Harbour celebrations to build social cohesion and project a welcoming and tolerant image.

Population Dynamics and Demographic Diversity

From the first European settlers 200 years ago to the most recent arrivals, Sydney's story is intertwined with one of immigration. The various phases of immigration have provided a rich array of skills, language and culture which have contributed to today's Sydney being 'internationally recognised [as a] vibrant and cosmopolitan city.'⁸³ In particular, through its historical linkages and engagement, Sydney has become the most "Asian" of Australia's major cities, specifically through contact as migrants, residents, visitors and business linkages with people from East Asia in particular – people from China, Korea, and Japan.

The post-war period experienced large-scale immigration from Italy, Greece and Eastern Europe, which drove the city population beyond 2 million for the first time. Migrant groups have since colonised several districts, including Leichhardt (Italians), Lakemba (Lebanese), Redfern (Greeks) and Marrickville (Portuguese). More recently the end of the Vietnam War prompted new immigration patterns from Southeast Asia.

Figures from the 2006 Census suggest that close to 35% of Sydney's 4.5 million population was born outside Australia. Currently the most recent immigration generation includes many British (13%) and Chinese (8%) people, while substantial numbers continue to arrive from countries with strong social and familial connections with Australia, such as Lebanon and Greece. Immigration is set to contribute significantly to Sydney's projected rise to a 6 million population by the mid 2030s.

Presence of Global Firms

The city's connectivity, quality of life and relative lack of continental competition makes Sydney an attractive prospect for multi-national companies. Sydney has well-established infrastructure capable of hosting suitable global flows of people, capital information and goods according to the requirements of corporate firms.

Sydney's attraction to global firms has grown as it has become a 'post-industrial service city,' Australasia's premier finance hub and one of the most significant finance centres in the Asia Pacific region. The city

⁸¹ Sydney Morning Herald (2006): Sydney: nice place to visit, wouldn't want to live there,

⁸² City of Sydney (2008): Sustainable Sydney: 2030

⁸³ City of Sydney (2009): The Cultural Diversity Strategy (2008-2011)

functions at an important time-zone bridging the close of the United States and opening of the London markets. It is also seen to offer a quality global city office location at more affordable prices than its counterparts further north, including Seoul, Tokyo, Hong Kong and Singapore, while high-skilled labour is also competitive. These factors are responsible for the city hosting close to half of the regional headquarters of multi-national firms in Australia.⁸⁴

More recently, Sydney is beginning to benefit from its location in a time-zone to which the locus of global economic power is beginning to shift. As China and East Asia becomes the central force of the global economy then Sydney, as a conjoined time-zone partner can hope to expand also. In some ways, in the past Sydney has acted as stepping stone into the Asian area for businesses headquartered from US and Europe, now it's beginning to act as stepping stone out for Chinese corporations, investors and managers as they step into the broader global economy.

As a result, a number of Chinese banks have established regional headquarters within Sydney in the last few years and some Chinese cities such as Shenzhen have established a trade centre in Sydney. Chinese corporations are beginning to invest significantly in Sydney. It was this strong and growing connection that provided the Sydney economy with the resilience to withstand the initial impact of the global financial crisis, and recover quicker than might otherwise have occurred from the city's traditional economic reliance as a financial centre on the US and Europe.

Inward Investment

Sydney's inward investment profile over the past decade has been dramatically influenced by its hosting of the 2000 Olympics. The original bid was motivated partly by a desire to prompt the city's internationalisation, bring long-term promotional benefits and attract foreign investment projects.⁸⁵ The Olympic hosting process prompted public-private deliberation on how best to promote Sydney's business proposition, resulting in Investment 2000, designed to attract companies to invest in and establish branches in the city.

While by no means a world leader in attracting inward investment, Sydney has cultivated extensive and growing links to growing Asian markets. Business offices are well established in China, UAE and India. Sydney is set to benefit from expanded free trade agreements (FTAs), with Australia in various stages of negotiations with China, Malaysia, Japan, the Gulf Cooperation Council, ASEAN (jointly with New Zealand). Indonesia, the Korea and India.

Openness to Migration

Actors at the state (New South Wales) and central city level continue to recognise that an outward looking, globally oriented approach is critical to Sydney's business and social sustainability.⁸⁶ To date, the city has been a positive model of openness. Half of all international visitors and two-thirds of international business visitors to Australia come to Sydney.⁸⁷ As well as being a net receiver of migrants from other cities across Australia, around 40% of the city's workforce was born overseas and close to a quarter of the total population speak a language other than English at home.⁸⁸

In addition, the city works hard to welcome its newcomers. Sydney's Chinese New Year celebrations are reportedly the largest outside of the Asian continent with close cultural ties and representation from Chinese performers and artists. The city has worked closely with the NSW State Government to foster increased contact directly through cross visits of Chinese business and political, including city, representatives. Given the significance of cities to the Chinese governance structure, our Lord Mayor has a positive recognisable profile within China.

⁸⁴ City of Sydney (2010): Sydney at a Glance, <http://www.cityofsydney.nsw.gov.au/AboutSydney/CityResearch/AtAGlance.asp>

⁸⁵ Yawei Chen and Marjolein Spaans (2009), 'Mega-event Strategy as a Tool of Urban Transformation: Sydney's Experience', http://www.ifou.org/conferences/2009delft/proceedings/2%20The%20New%20Urban%20Economy/A006_Chen_Yawei_Spaans_Marjolein_Megaevent%20strategy%20as%20a%20tool%20of%20urban%20transformation.pdf

⁸⁶ City of Sydney (2008): Sustainable Sydney: 2030, <http://www.cityofsydney.nsw.gov.au/2030/documents/2030Vision/2030VisionBook.pdf>

⁸⁷ City of Sydney (2010): Sydney at a Glance, <http://www.cityofsydney.nsw.gov.au/AboutSydney/CityResearch/AtAGlance.asp>

⁸⁸ City of Sydney (2007): Baseline Indicators Working Paper, [www.cityofsydney.nsw.gov.au/2030/documents/1670cosdata03\(BaselineWorkingPaper\)August.pdf](http://www.cityofsydney.nsw.gov.au/2030/documents/1670cosdata03(BaselineWorkingPaper)August.pdf); City of Sydney (2010): Sydney at a Glance, <http://www.cityofsydney.nsw.gov.au/AboutSydney/CityResearch/AtAGlance.asp>

At the same time, a large number (and the largest proportion) of Chinese students visiting Australia for study are located in Sydney, and Chinese people are a significant and increasing source of resident migrants. Given that many are coming from Asia, particularly China, to enrol in Sydney's educational institutions, then this cadre of managers become important economic connections in the future based on current community and cultural experiences as reflected in existing policy. Aside from the traditional contribution of such diversity to the generation of ideas and innovation, these cultural linkages also pose the prospect of enhanced future economic ties and openness.

Despite the undoubted openness of Sydney, there is some evidence that the more diverse the city has become, the less open it has become to international migrants. This is because of deepening socio-economic disparities and a lack of affordable housing.⁸⁹ None the less, in-migration continues and the signs suggest that this influx of foreign born individuals to the city has undoubtedly enhanced the city's cultural offer and economic productivity.

As the City of Sydney emphasises in the 2009 revision of its Cultural Diversity Strategy 2008-2011, the city's vibrancy and diversity is 'not the result of mere accident' and that 'the City of Sydney and those who live in and visit it are the beneficiaries of ongoing work to develop and refine policies of inclusiveness, social justice and productive diversity.'

'The City of Sydney has a strong commitment to celebrating and enhancing our cultural diversity. In a local government area where one in three of its residents are born overseas, the City recognises it has a responsibility to ensure its policies and services are continuously improving to match the community's needs.'

City of Sydney (2009)

Case Study Initiative: The Cultural Diversity Strategy 2008-2011

Overview

Beneath Sydney's easy cosmopolitanism lie pockets of long-standing tension between the Anglo-Celtic majority and ethnic communities. The process of building dialogue and empowering actors in each of these communities is seen as highly significant. The Cultural Diversity Strategy 2008-2011 is the central City of Sydney's blueprint for celebrating and supporting the inner-city's cultural diversity over the medium term. It details six core objectives, which emphasise the celebration of diversity, the expansion of participation both at council-level and in local communities, improved public services for immigrants, and social sustainability. The strategy recognises 'the significant contribution of successive waves of migrants and refugees to its local government area and the country.' Its purpose is to focus on diversity in a more targeted and coherent way.

⁸⁹City of Sydney (2008): Sustainable Sydney: 2030, <http://www.cityofsydney.nsw.gov.au/2030/documents/2030Vision/2030VisionBook.pdf>

Core objectives of the Cultural Diversity Strategy 2008-2011

Celebrating and Valuing Diversity	<ul style="list-style-type: none">•Produce and support major events to celebrate diversity•Showcase of diversity in the City's images, artworks and documentation•Active participation in citizenship ceremonies - promote history through City History programme•Promote Aboriginal and Torres Strait Islander heritage to culturally diverse communities
Participation and Connection	<ul style="list-style-type: none">•Develop a Multicultural Communication Protocol•Provide easy access to interpreter services•Recruit and make strategic use of bi-lingual staff•Ensure accessible communications/venues and undertake inclusive consultations
Responsive Services and Support	<ul style="list-style-type: none">•Focus to provide grants and sponsorships for culturally and linguistically diverse communities•Deliver inclusive library services•Enhance the inclusiveness of core services, and of planning and design activities,•Training/partnership opportunities for multicultural groups to develop self-governance capacity
An Inclusive Council	<ul style="list-style-type: none">•Ensure inclusive council decision making through procedure overhaul•Employ multicultural specialist staff to act as a resource for community and city•Establish a standing forum Multicultural Advisory Panel to provide feedback•Undertake evidence-based , data-led decision-making on issues of diversity
Leadership and Advocacy	<ul style="list-style-type: none">•Promote benefits of cultural diversity and advocate for refugees/asylum seekers at national forums - eg - Council of Capital City Lord Mayors•Encourage skilled migrant and multicultural volunteer initiatives•Partner with different levels of government
Sustaining the global city	<ul style="list-style-type: none">•Improve the City's overall amenity and safety through the city's Social Plan•Encourage diverse business precincts to be prosperous and inclusive•Promote Sydney as a premier tourist destination via its diversity assets•Demonstrate economic and employment benefits of diversity and foreign student community

History, background and vision

The Strategy has been developed to complement the city's existing corporate and planning processes. The process began in 2006 with a Multicultural Review into diversity initiatives. In 2008 after major consultation the strategy was published, and aims to make Sydney 'a leader in terms of inclusion and responsiveness.'

The Strategy fits well with the wider city's sustainable development plan, Sustainable Sydney 2030. This vision is for a green, global and connected Sydney. The last theme focuses on the challenge of immigration, and plans for a 'diverse and inclusive' city with an 'increased share of affordable housing', 'better access to community facilities' and 'high rates of participation in artistic expression, performance, events and festivals.'⁹⁰

Summary of the Cultural Diversity Strategy Action Plan 2008–2011⁹¹

A critical addition in the new strategy is to provide skills to immigrant communities earlier so that they are capable of effectively engaging with the local and state government. Minority communities have a lack of understanding of government systems and how they operate in practice, and so skills development is set to enable local people to intervene on a more evidence-led platform. Ultimately, the City argues that if the community is clear and confident enough to engage in proper stakeholder dialogue, it will give the community a strong voice and make it an effective partner in urban governance.

The role of local government

A policy of multiculturalism is built into New South Wales legislation. The Community Relations Commission and Principles of Multiculturalism Act 2000 (Amendment 2003) establishes four Principles of Multiculturalism to which Chief Executives of every public authority and each Council must adhere. These four principles are described in the box below.

New South Wales Principles of Multiculturalism⁹²

- | | |
|--------------------|---|
| Principle 1 | All individuals in New South Wales should have the greatest possible opportunity to contribute to, and participate in, all aspects of public life in which they may legally participate. |
| Principle 2 | All individuals and institutions should respect and make provision for the culture, language and religion of others within an Australian legal and institutional framework where English is the common language. |
| Principle 3 | All individuals should have the greatest possible opportunity to make use of and participate in relevant activities and programs provided or administered by the Government of New South Wales. |
| Principle 4 | All institutions of New South Wales should recognise the linguistic and cultural assets in the population of New South Wales as a valuable resource and promote this resource to maximise the development of the State. |

response to Social/Community Planning guidelines and Management Planning provisions of the Local Government Act 1993 and related regulations.

The City of Sydney's own Social Policy was adopted in 2006 for the period 2006-2010, and the Diversity Strategy represents an extension to it by applying the principles and roles it defines as well as providing enhanced targeting and focus on people from culturally and linguistically diverse backgrounds.

Building on success

The 2008-2011 Strategy represents a joining up and enhanced consolidation of existing initiatives. The strategy team recognises the difficulty of measuring success tangibly, given the subtle character of community relationships and trust. The team is in the process of developing a social sustainability indicator as a tool for

⁹⁰City of Sydney (2009): The Cultural Diversity Strategy (2008-2011); City of Sydney (2008): Sustainable Sydney: 2030, <http://www.cityofsydney.nsw.gov.au/2030/thevision/Default.asp>

⁹¹City of Sydney (2009): The Cultural Diversity Strategy (2008-2011)

⁹²Ibid.

examining qualitative impacts. Nevertheless, so far the City of Sydney already has a number of achievements in the field of cultural diversity. These include:

- **Living in Harmony programme.** In the weeks leading to Harmony Day (21st March) concerts, cultural talks, movie nights, cross-cultural tours and workshops are organised by the City and local community groups to promote community understanding and interaction.
- **Dictionary of Sydney.** The presentation of a history of metropolitan Sydney online and via other media, offering a vast amount of material about different ethnic and cultural groups and forums for public discussion, education and entertainment.
- **Libraries.** Extensive book collections featuring at least nine community languages are provided by the City Council's libraries, based on close analysis takes place on client data and needs.
- **Grants and Sponsorships schemes.** Greater provision and funding for a range of community groups targeted towards vulnerable communities. Projects attempt to promote inter-cultural exchange.
- **Culturally diverse Council workforce.** By July 2006, 25% of city staff were born outside Australia. The City also employs specialist diversity staff such as its Multicultural Development Officer.

Implementation

For each of the six core aims of the strategy an implementation plan has been established. Each objective is broken down into between six and eight further strands of activity. Each strand is broken down into specific actions which are set against which department is primarily responsible, what the timescale is and how it is resourced. In most cases the timescale for assessment is annual and ongoing, while resourcing is typically made from within a pre-approved assigned council budget.

As well as the preparation of an end of year update, an Annual Cultural Diversity Strategy Status Report notes 'the achievements of the past 12 months' and identifies a new action plan for the year ahead. In conjunction with the Multicultural Advisory Panel, Council staff and community stakeholders, progress is reviewed against the strategy's agreed goals. The intention is that this approach will foster a reflexive attitude and enable the refining of the approach to support diversity as effectively as possible. On completion in 2011, an independent evaluation of the implementation of the Cultural Diversity Strategy will take place to inform the next stage of the cultural diversity planning process.⁹³ For example the City is examining how the role of housing planning and land use more generally can effectively facilitate inclusion and integration.

The Diversity Strategy continues to be challenged on how to most effectively use resources, when other agendas – most notably environmental sustainability - have considerably greater means and organisational depth at their disposal. One approach the Strategy team has adopted is to make a big consultancy effort towards elected councillors, promoting the significance and achievements of diversity planning, with the hope of therefore acquiring strong internal support for its mission. This promotion combines data-led analysis with significant local stories of success that are seen to have a certain persuasive power.

⁹³Ibid.

OPENCities

Thematic Paper 3

Diversity, Integration & Inclusion (Full Version) By Greg Clark

Evaluation and lessons for other cities

The Cultural Diversity Strategy 2008-2011 provides a very helpful framework to co-ordinate and promote initiatives across the City of Sydney that support its ethnic minority groups. The diversity vision of the local government is innovative for recognising the ongoing importance of internal and external consultancy. The City of Sydney is a forward-thinking local government in the field of diversity because it has recognised that social inclusion does and will not happen naturally. Instead its programme is based on the premise that cultural cosmopolitanism needs to be produced from considerable grassroots level groundwork. Trust and genuine relationships between divided communities takes commitment that lasts well over a decade and must be consistently maintained.

The new Diversity Strategy goes a step further than many inclusion initiatives in providing implementable mechanisms to up-skill ethnic communities so that their voices can be effectively heard. Many community stakeholder programmes do not consider how minorities communicate their needs and their collective message. In focusing on the role of attitudes in combination with personal skills, the City of Sydney shows how a local government strategy can think beyond the numerical issue of inclusion and instead approach broader questions of belief, trust and social capital. In order for these profound questions to be tackled, the importance of strategy, intelligent structuring and inclusive division of labour is a key message from Sydney.

Key best practice points:

- Integration occurs within and across communities - even when those communities are made up of diverse newcomer groups. Intercultural learning through shared experiences is an important step towards social cohesion.
- Use community newspapers and other community media to profile diverse community members and groups and foster a sense of identity and belonging.
- Bringing communities together requires a sustained investment in time, patience and space.
- Find out how your community can help build bridges with another ethnic community in your area through a shared event, an invitation to an upcoming cultural holiday or a shared commitment to addressing a local issue.

2.4 Barcelona

Overview

Situated on the north-eastern coastline of Spain, at the heart of the Catalunya region, Barcelona epitomises the modern Olympic success story. The city of 1.7 million people has witnessed profound urban regeneration and is now recognised on the world stage as an innovative and self-confident capital of media, arts, education and tourism. The city is located within a large metropolitan region of 3,237 km² which has a population of 5 million and is one of the largest agglomerations in Southern Europe.⁹⁴

The Barcelona story represents a remarkable example of how a city can redefine itself within the space of a generation. Commentators and practitioners worldwide now look to the city for inspiration, best-practice and leadership. Since the 1980s Barcelona has emerged from a period of de-industrialisation fuelled decline to become one of the most dynamic cultural and entertainment centres in Europe. Barcelona successfully reversed the process of deterioration in just two decades, gaining green spaces, regenerating its central areas and creating new entertainment hubs. The city's leadership and metropolitan strategy has been critical for generating the international ambition to host events and functions, which in turn have driven urgently needed infrastructural investment. The Olympics catalysed the modernisation of the city's built environment and image, and also enabled the landscape to be beautified and global connectivity to be enhanced. Recent years have seen the city pursue an ambitious phase of development with confidence, leveraging its high quality of life offer to support a process of positioning as a key knowledge hub. Today Barcelona is one of Europe's fastest growing financial and business centres, a source of substantial job creation in diverse sectors.

Barcelona does however need to meet a number of challenges if it is to consolidate its achievements over the past two decades. The city's co-ordination and metropolitan governance has to be improved if it is to provide a systematic offer to business clusters. The clarity of Barcelona's brand moving forwards also demands careful attention, with the city needing to continue engaging the community to create a tourism framework that does not undermine organic cultural processes.

KEY AREAS OF GLOBAL STRENGTH

Leadership of urban transformation - The 'Barcelona model' of re-urbanisation is a recognised world leader, and represents a political model for European social democracy, led by innovative urban planners, architects, economists and political leaders.

Lifestyle and brand – Barcelona enjoys a high profile and brand recognition around the world thanks to the revitalisation of its cultural, recreational and leisure sectors, and improved transport and service infrastructure. Its outstanding quality of life credentials and affordability are major factors in generating tourism, investment and high-end business status

Creative innovation – the city has nurtured hugely successful creative industries spurred by the drive of flexible SMEs. Local development agency Barcelona Activa has been a pioneering partner to economic diversification and professionalisation.

Civic pride and community-oriented governance – Since the phase of Olympic modernisation, Barcelona's innovative leaders have positioned city infrastructure projects as inclusive of, and belonging to, the citizens. The entrepreneurial philosophy of a city led by 'municipal citizenship' has been key to gaining political legitimacy for large-scale development

KEY CHALLENGES TO GLOBAL COMPETITIVENESS

Lack of metropolitan co-ordination - Barcelona has very strong leadership and ambition but there is not yet enough coherence and agreement at the metropolitan level around plans for the future. More explicit co-ordination is required to unite disparate and disassociated projects into coherent programmes.

Under-developed connectivity - to support an already high level of business friendliness, specific attention is required to enhance the city's high-speed rail connection to the rest of Europe via France. Air connectivity may also require attention given Iberia's decision to consolidate activities in Madrid.

⁹⁴ Cahyadi, C and TenBrink, S (2004): Barcelona Metropolitan Economic Strategy, Global Urban Development

Limited linguistic and cultural breadth - Barcelona has a natural advantage as a bi-lingual city but it does not have as much multi-national linguistic capacity as comparable knowledge hubs such as Amsterdam and Zurich. The city could benefit from promoting English as its third language.

Introduction

Barcelona is considered a leading example of a city whose leadership has been properly focused on targeted asset development and business positioning.⁹⁵ The Catalan capital has consistently climbed Cushman & Wakefield's *European Cities Monitor* of business attractiveness, rising to fourth in 2009, up from 11th in 1990. The 2009 study found that the European business community considers Barcelona the city that is doing the most to improve itself and to develop, while the city has also been rated the highest quality living environment for the last two years.⁹⁶ Barcelona's business reputation is also enhanced by its hosting of one the top 20 business schools in the world (IESE).⁹⁷

Barcelona has witnessed an exceptional rise in visitors over the past three decades as it has become a destination of worldwide calibre, with the number of tourists tripling between 1990 and 2005 alone. Growth in air passengers has also been impressive, with the city's main airport handling an increase of 650% between 1977 and 2007.⁹⁸ The challenge for its leadership team has been to translate popularity among tourists into migration of diverse and talented international populations. Barcelona's city council has also consistently tried to make social concerns and economic competitiveness compatible, by emphasising the collaboration of social actors and citizen participation in strategy development and implementation. This inclusive approach includes the city's policy towards diversity, social opportunity and internationalisation.

Global Reach, Openness and International Exposure

Barcelona's commitment to openness and internationalisation is illustrated by its activity in city networks of international municipal cooperation, at a regional as well as on a global level.⁹⁹ On a regional level, the city has been part of integration processes that search for alliances with other local governments to build cooperation spaces. At the global level, Barcelona's municipal government has been a leading promoter of the constitution of United Cities and Local Governments, the first properly international local government organisation, whose seat was established precisely in Barcelona.

By the mid 1990s, Barcelona had begun to export the 'Barcelona model' to Latin American cities through the diffusion of its Strategic Urban Planning methodology. Barcelona's municipal authorities created the CIDEU (Iberian-American Centre for Urban Strategic Development) as a network of Iberian-American cities committed to strategic approaches to sustainable development. CIDEU's Secretariat is always directed by a Barcelona city councillor and the permanent headquarters are also located in Barcelona. In these regards Barcelona has become a legitimate node in the global governance networks.¹⁰⁰

Population Dynamics and Demographic Diversity

Barcelona's city population is still not as high as the 1.9 million peak from the 1970s. After widespread decline and emigration, the city's population is now on the rise and has reached 1.7 million as of 2010. Much of the population recovery is due to the surge of newcomers over the past decade. Between 2001 and 2008, the immigrant population of the city grew from just over 3% to 17% of the city's total population. Foreign-born immigrants now account for over 250,000 of the city population.

Presence of Global Firms

Since the 1992 Olympics Barcelona has attracted a substantial number of international firms, especially in industry and advanced services. The Cataluña region has the highest number of foreign companies in Spain, 90% of them located in Barcelona metropolitan region. In fact, over half of all Japanese, French, German, North

⁹⁵ Saffron Brand Consultants (2009), 'The Saffron European City Brand Barometer. Revealing Which Cities Get The Brands They Deserve.'

⁹⁶ Cushman & Wakefield (2009), *European Cities Monitor* 2009, p.3

⁹⁷ http://www.careerdynamo.com/mba_ww_ft_rank_2001.html

⁹⁸ ETOA (2005), http://www.etoa.org/Pdf/visit_britain_olympics_response.pdf; http://en.wikipedia.org/wiki/Barcelona_Airport#cite_note-stats2008-1

⁹⁹ M. Salomon (2009), 'Local Governments as Foreign Policy Actors and Global Cities Network-Makers: The Cases of Barcelona and Porto Alegre', GaWC Research Bulletin 305

¹⁰⁰ Ibid.

American and Italian and Dutch firms located in Spain are situated in Catalonia, 80% of which have been located there for over ten years.¹⁰¹

Barcelona's success relative to other significant (and competing) metropolises is impressive. Barcelona was placed 38th globally for attracting greenfield FDI projects between 2003 and 2006, a strong performance, ahead of the likes of Amsterdam, Toronto and Frankfurt.¹⁰²

Inward Investment

The Olympic context was critical for Barcelona to raise its profile worldwide as a renewed city with prospects suitable to investment from established and emerging markets. Transnational investment has become increasingly important amid the decline of manufacturing industries and the emphasis on hi-tech sectors. Barcelona is now seen as a city with productive and competitive human resources, quality office and telecommunications infrastructure, while its Zona Franca - a tariff-free advanced industrial port - has attracted a wide range of transnational manufacturers, particularly Japanese. As a result over the past decade Barcelona has led Spain in the amount of FDI it receives (20-25% of the total). In 2004 Barcelona was unanimously voted FDI Magazine's *European City of the Future*, while the city is still in the top 5 in 2010.¹⁰³ The largest constraints for further investment are limited foreign language usage, and air transport and freight costs.

Openness to Migration

Culturally rich, vibrant and hospitable, Barcelona is a natural draw to migrants, both domestic and international. The city has a history of migration. Between the 1950s and 1970s, the experienced a very large influx of people attracted by Barcelona's industry and other production activities.¹⁰⁴ The showcasing of the city's qualities during the 1992 Summer Olympic Games, yet by 2001, under 4% of the population were foreign born, with mass tourism outstripping permanent migration.¹⁰⁵ More recently, however, the population is has become dramatically more diverse, spurred by arrivals from Western Europe, Latin America and East Asia. The largest populations are from Ecuador, Dominican Republic, Italy, Morocco, Argentina, Pakistan and China.¹⁰⁶ Around 150 languages are now spoken on the city's streets.



The integration of immigrants into the business community has mostly been ad-hoc but has to some extent been managed by **Barcelona Activa**. This original business incubator has responded to the influx with a series of programmes designed to channel these new international links and entrepreneurial capacity. Business development centres have been set up to provide set-up tools, inspire new projects, and cultivate an ethos of professionalisation among young immigrants and non-immigrants. Close to one third of participants in the drive towards entrepreneurship are immigrants, almost double their proportion in the overall population.¹⁰⁷

However, Barcelona does not yet have migrant-specific support services, only mainstream services are adapted to circumstances of diversity. There also remains a sense that Barcelona has yet to fully capitalise on its advantages and translate high numbers of tourists into permanent migrants. With its transformation to a knowledge driven economy, the search for and capture of talent both domestic and foreign is fundamental to the city's success. Its quality of life and economic vibrancy remain the city's greatest assets, making it an attractive proposition for any migrant. To reinforce its openness Barcelona must tackle a number of constraints which dissuade the permanent relocation of foreign-born talent to the city and metropolitan region. These include reasonable lack of linguistic openness, a failure to clearly articulate the future vision of the city, and

¹⁰¹ Ajuntament de Barcelona (2010): Barcelona Business: Foreign Investment,

http://w3.bcn.es/V44/Home/V44HomeLinkPI/0,3655,71420027_80835241_3,00.html

¹⁰² LocoMonitor (2007), 'Top 50 Cities Ranked By Performance In Attracting FDI (2003-2006)',

¹⁰³ Ajuntament de Barcelona (2010): Barcelona Business: Foreign Investment

¹⁰⁴ Ajuntament de Barcelona (2010): Integrating urban model, undergoing constant transformation,

http://w3.bcn.es/V44/Home/V44HomeLinkPI/0,3655,71420027_88677875_3,00.html

¹⁰⁵ Ajuntament de Barcelona (2006): BARCELONA EN XIFRES, (www.bcn.es/estadistica/catala/dades/inf/guies/bcn.pdf)

¹⁰⁶ Ajuntament de Barcelona (2006): Estructura de la població,

<http://web.archive.org/web/20071221131647/http://www.bcn.es/estadistica/catala/dades/anuari/cap02/C0201090.htm>

¹⁰⁷ Cities of Migration (2010), 'Innovation, Entrepreneurship and Immigrants: Barcelona Activa', <http://citiesofmigration.ca/barcelonaactiva/lang/en/>

(relatedly) a slightly unclear brand proposition. The development of a new strategy for the metropolitan region in 2009-10 has taken these constraints into account and aims to address them.

Porta22, Barcelona

Overview

Porta22 is an excellent example of a service available to all people in Barcelona seeking employment. Conceived of and implemented by the city's economic development agency, Barcelona Activa, Porta22 assists individuals in the city make the transition from both unemployment to employment as well as employment to another post or professional orientation. It is a bespoke career development tool which is accessible, impartial, anonymous and free to all. Though not specifically targeted at minority groups, Porta22's unique approach to labour market insertion makes the service particularly helpful for Barcelona's growing migrant population.

The process of transformation in Barcelona has taken place rapidly over recent decades. With it the city's brand, global positioning and economy have also changed. Barcelona's production structure and labour market have evolved as strategic sectors have emerged leading to the increase in new types of jobs, which, just a few years ago, were almost unheard of in the local labour market. In this context, the Barcelona City Council detected an increasing demand for a career orientation service for resident Barcelonans but also migrants to the city looking to benefit from the city's new success. Porta22 was founded to strengthen their professional skills so that migrants and Barcelonans alike can participate in Barcelona's transformation.

History, mission and activities

Launched in 2003, Porta22's mission is 'to detect individuals' professional potential –or talent-, which consists of the addition of their knowledge, skills and interests; as well as to identify those new or emerging occupations that better fit these individuals.'¹⁰⁸ Its state-of-the-art services and systems 'link people with employment and help them understand the requirements and orientation of different forms of work.'¹⁰⁹ In other words, Porta22 is an interactive employment information service which simultaneously allows users to diagnose their own skill sets and match them to employment opportunities in the city.

Porta22 achieves its bespoke service provision through the efficient combination of three different formats: the self-use of contents and digital resources; face-to-face counselling; and a complete programme of activities, which offers training courses and workshops in skills development, job seeking and professional change, on a daily basis.

For instance, Porta22 offers several interactive tools that allow individuals whatever their backgrounds to identify their interests and to measure their key competences and personal skills through self-knowledge and self-evaluation. On the other hand, Porta22 holds a digital catalogue that shows with accuracy a large proportion of the job opportunities available in the city. The Porta22 Occupations Catalogue is the result of permanent intensive research activity by Lab22, the BackOffice of Porta22, along with its Knowledge Network which comprises of universities, professional associations and private companies.

The diagnosis of personal competences and skills, besides being very useful in order to identify job opportunities, is also a key method by which individuals can develop their own performance and, as a consequence, to enhance their employability. To support this process, Porta22 designs and delivers skills development training courses which are offered on a daily basis at Porta22.

Porta22 is currently developing a new project based on personal skills and their evaluation. This new project consists of a database filled with CVs and skills profiles of Porta22's users, which will provide private companies with a complete and more reliable source for staff recruitment.

Evidence of general impact

¹⁰⁸ Molero, A (2010): Personal Communication, Barcelona Activa

¹⁰⁹ OECD LEED Programme (2009): Promoting Entrepreneurship, Employment and Business Competitiveness, The Experience of Barcelona

Recent reviews and evidence from Barcelona Activa itself, suggests that Porta22 has been an unrivalled success. A 2009 OECD LEED Programme review suggested that ‘the sophistication of the Porta22 system, its objectives and the impressive amount of information available is unique in the world.’¹¹⁰ The engagement figures are equally impressive. Since its inception in 2003, more than 100,000 people have used Porta22’s facilities. A breakdown of the 2008 numbers is contained in the table below.

Porta22 2009 engagement figures¹¹¹

Engagement type	Number
Individual users of the platform multimedia	20,912
Personal consultations	16,395
Participants in group sessions on multimedia platform	21,574
Participants in the program of activities	15,232

Support to minority and migrant groups

Barcelona Activa is quick to point out that though this facility is not specifically targeted at minority groups it is none the less extremely supportive of them. According to 2009 figures Porta22 engaged with 4,095 migrants from the European Union and 2,235 non-European Union migrants. These figures represent 12.6% and 7.2% of the total number of participants engaged in the activities of Porta22. Of these migrants, 60.2% were unemployed. Porta22 represents the bridge between Barcelona’s changing labour market and the city’s changing demographic structure. There are a number of ways in which it does this:

- **Better access to and visibility of new opportunities.** New employment opportunities that previously did not exist, or which were hidden are now made accessible to many new groups within the city’s population structure by Porta22. As the OECD suggests, Porta22 has proven particularly important ‘for migrants new to Barcelona labour market and needing an orientation.’¹¹²

The promotion and delivery of English as the Barcelona’s third working language

Porta22 is in the process of incorporating English as a working language, alongside Spanish and Catalan. In order to do so, Porta22 is now offering an English version of its training courses in professional development. This is intended to introduce new migrants to the city to local job opportunities and equip them with the skills to secure them. At the same time, the most significant of Porta22’s contents are being translated into English. This supports Porta22’s ambition of promoting and incorporating English as its third language come true.

- **An open and inclusive approach.** Porta22 works openly with all. As well as engaging with young graduates and skilled professionals, Porta22 proactively engages with a number of minority and marginalised groups including women, young people as well as skilled and un-skilled migrants. To optimise accessibility, the Front Office of Porta22 is populated with staff that provide access to intranet content, answer questions and help enhance the personal autonomy with which individuals pursue professional improvement.
- **Early targeting and training.** Porta22 specifically targets young people making the transition between academic studies according to future professional opportunities. By giving people the tools to integrate into the workforce from an early age inclusion is made more likely.
- **Excellent and appropriate design of facilities.** The quality and accessibility of the space and facilities of Porta22 proactively encourages its use by all. The amenity is purposefully designed as an open free access and easy to use space.
- **Responsive and reflexive service provision.** The service is highly flexible and dynamic. Because Porta22 tracks labour market and population trends in Barcelona so closely it is able to evolve its provision quickly and effectively to meet new demands such as the arrival of a new migrant group to the city.

¹¹⁰ Ibid.

¹¹¹ Barcelona Activa (2010): Porta22, <http://www.porta22.com/porta22/cat/>

¹¹² OECD LEED Programme (2009): Promoting Entrepreneurship, Employment and Business Competitiveness, The Experience of Barcelona

- **Bespoke service provision.** The individualistic approach Porta22 adopts allows its service to be tailored to the particular requirements of its user. Staff at the centre constantly try to match users with the most appropriate means of support.
- **Anonymity.** Because Porta22's facilities can be used anonymously there are no actual or perceived barriers or gatekeepers to their use and the subsequent progression of users through to employment opportunities.

As a result of a combination of all of these factors, Porta22 has been a key tool for Barcelona to actively promote the attraction and integration of migrants into its labour market.

According to Barcelona Activa, the success of Porta22 can be attributed to intensive research work and production carried out with the collaboration of expert institutions that comprise the Knowledge Network of Porta22. The scheme draws on the model of the Cité des Métiers, created in Paris in the early 1990s, as part of the Cité des Sciences and de l'Industrie. In terms of capital, Porta22 is funded by Barcelona Activa. In 2007, it had a budget of €1.4 million.¹¹³

According to the OECD, 'immigration into Barcelona is not likely to be slowed directly in proportion to current economic conditions and employment opportunities and so the labour force will continue to grow from international sources.'¹¹⁴ As a result, in the coming years, the service provided to migrants by Porta22 will only become more significant as a means to promote and manage the city's diversity.

Conclusions

There are a number of general factors which contribute to Porta22's success. Though many of these factors are not specifically tailored towards the economic inclusion of migrants and international talent, they are none the less very effective at doing so:

- Porta22 has detected new and actual needs among individuals in relation to their professional career. Before the incorporation of Porta22, the City's approach to employment mainly focussed on unemployment and labour market exclusion. With Porta22, the City's focus shifted to employment, professional growth and empowerment.
- Porta22 has successfully entered a sphere formerly monopolised by Executive Education schools and human resources companies. As a consequence, Porta22 represents a public service to which responds to private needs.
- Porta22 has approached the topic of job seeking in an innovative and attractive way. Porta22 is also engaging and interesting which awakens the interests of migrants and non migrants, youngsters and adults in an important but traditionally negatively perceived topic.
- Porta22's accurate and rigorous work has built trust with and the confidence of private companies. This fact has deepened the levels of engagement and co-operation with the project, which allows Porta22 to develop new contents and teaching training activities.

Many lessons have been learnt during Porta22's seven years of activity:

- Having many partners from the education sector is critical. It provides a direct link between human capital and the labour market which allow this capital to translate to crystallise into a tangible and productive form, which contributes to a city's overall competitiveness.
- Openness to engagement with new partners has been and still is a key factor for the project's success.
- The permanent orientation of Porta22 to the labour market has enabled the flexibility and adaptability of its professional guidance system. Both are necessary to face new and unpredicted scenarios, such as the current financial crisis.

Moving forwards, there are also a series of opportunities to widen and deepen Porta22's engagement with the community:

¹¹³ OECD LEED Programme (2009): Promoting Entrepreneurship, Employment and Business Competitiveness, The Experience of Barcelona

¹¹⁴ Ibid.

- The major opportunity for Porta22 is to strengthen its presence on the Internet, making its current services – particularly its core services- available in full and online. For that purpose, a new website with resources for career development is being developed and it is planned for launch during the last quarter of 2010.
- At the same time, Porta22 is starting up a new service called “Porta22’s Community”, which will allow its members to get in touch with major companies in the city, creating new professional opportunities.

The implementation of these new services will enable Porta22 to consolidate its position.

2.5 Los Angeles

Overview

One of the youngest world cities, Los Angeles emerged as the world's entertainment capital in the 20th century. The city itself has a population of 4.1 million. With an estimated metropolitan population of 12.5 million in 2007 rising to 13.7 million by 2025, the Los Angeles-Long Beach-Santa Ana agglomeration is not only one of the United States' key metro regions, but also the world's 11th largest urban conurbation.

Home to a large and diverse population, providing infrastructural links with emerging markets in Mexico and the Pacific Rim and world class cultural assets, Los Angeles seems to have many of the elements necessary for world city status. The city is currently working on an ambitious strategic plan to become a 'global commercial capital' capable of linking the Asia/Pacific and Latin American economies with the US. Key drivers to achieve this can be found in higher education, entertainment, technology, logistics, tourism, and international trade. Necessary changes to combat urban sprawl are being initiated, while the city has produced a comprehensive plan to reduce its environmental footprint.

Los Angeles' major challenge is to de-congest the metropolitan region and reduce car dependency, a problem that causes damage to the economy and environment alike. Income inequalities, rising housing costs and problems with its education and political systems are also hindering its competitiveness. The city suffers structural gaps between revenues and expenditures, and although it is currently investigating how to maximise revenues from its wide-ranging assets, the city needs to embark on significant fiscal transformation in order to remain socially and infrastructurally dynamic.

KEY AREAS OF GLOBAL STRENGTH

World capital of film – inimitable creative genius and exclusivity has an enduring capacity to drive the city through turbulent economic times

Emerging market relationships – strong growth in Asian banking, established ties with burgeoning Pacific Rim, gateway to West Coast

Climate change adaptation – clean air technology adoption, strong environmental consensus among civic and business leaders has transferred to innovative action

Openness to immigration – Los Angeles has a reputation for an immigrant-friendly orientation, and has a platform to better integrate low-skilled low –income foreign workers

KEY CHALLENGES TO GLOBAL COMPETITIVENESS

Car dependency – the city's congestion is the worst in North America and is set to worsen without significant policy changes

Governance – despite very tight funding restrictions and reliance on state-federal support, there has been a failure to utilise full range of investment tools to balance revenue and expenditure. The city and wider region are institutionally un-integrated and fail to

Costs – houses are as unaffordable as any global city, infrastructure costs are usually prohibitive, while the city is vulnerable to national and international investment crises

School system – graduates, especially from immigrant backgrounds, possess a lack of skills and many are unsuitable for knowledge occupations. City administration has limited administrative and funding capability, and needs to centralise educational reforms

Introduction

While Los Angeles emerged long after other major cities in the United States such as New York, Boston and even Chicago, it is nevertheless usefully characterised as ‘the first American city.’¹¹⁵ While older US cities were largely European-influenced, the emergence of Los Angeles since the 1920s reflects a broad historical shift of the economic and cultural points of gravity in the US from East to West - a process of gradual ‘de-Europeanisation’ and of Americanisation. Los Angeles is regarded as the symbolic capital of a region that has come to define American culture.

Los Angeles is sometimes described as a ‘minority majority’ metropolis, as half its residents are Latinos (three times the US average), and over 10% are of Asian descent. Los Angeles’ large, expanding, and diverse population is one of its critical advantages as it seeks to re-articulate its self-identity in the wake of negative publicity in recent decades. Its immigration-fuelled population growth has caused notorious strain on the city’s educational system, resulted in soaring housing costs and intensified urban inequality and spatial segregation. There has been very little ethnic integration in historically white communities, especially the Westside of Los Angeles, mainly due to the cost of housing. Alongside suburbs of exceptional wealth, close to 20% of Los Angeles’ families live in poverty, with many unemployed immigrants congregating in former industrial areas. The expected addition of up to five million people over the next twenty years will place new strains on the city-region’s land resources and its ability to create sufficient jobs.

‘The paradox is that whites and blacks have become more isolated and especially whites. What is troubling is that the divide is getting worse. This suggests that this is not a temporary stage ... We have found a clear pattern of “resegregation.”’

Philip Ethington, Professor of History, University of Southern California

Global Reach, Openness and International Exposure

Population Dynamics and Demographic Diversity

Since the late 19th century, Los Angeles transformed from its predominantly white European composition to being one of the most ethnically diverse cities in the world. The now Mexican-dominated suburb of Boyle Heights as early as the 1940s was for instance recognised as one of America’s largest and earliest showcases for multicultural harmony, incorporating large numbers of Japanese, Jewish and Mexican immigrants. The city is today a diffuse mix mostly of Hispanic-Latinos, White Non-Hispanics, Blacks and African Americans, Asians and Pacific Islanders, and Native Americans. Only about 30% of Los Angeles city population self-identifies as Anglophone white and less than 40% only speak English at home. As of 2008 close to 40% of the inner city (4 million total) population are foreign-born – nearly four times the national average.¹¹⁶ Approximately a quarter of this 1.5 million immigrant population arrived since 2000, indicative of the renewed attraction of the city. Even at metropolitan level, the foreign-born population is still 34%, meaning that in total over 4.3 million immigrants live in the Los Angeles metro area.¹¹⁷

Just under two-thirds (65%) of the foreign-born city population come from Latin America, while almost all the rest come from Asia (27%). A much smaller group have settled from Europe (6%) compared to in New York. There is a larger Asian proportion of the immigrant population (34%) at metropolitan level, indicating that Asian communities have moved out of the central city over time. By some distance the most common alternative language spoken is nevertheless Spanish, with over half of Spanish speakers stating they are not capable of speaking English ‘very well.’ This points to the self-sufficient community structures that have evolved in central Los Angeles, where English is not thought of as an indispensable language by almost a third of the population.¹¹⁸ Ethnic enclaves have formed in districts such as Chinatown, Koreatown, Little Armenia, Glendale (also Armenian) Little Ethiopia, and Thai Town.

¹¹⁵ R. Weinstein (1996), *The first American city*, in: A. J. Scott and E. W. Soaa (Eds) *The City: Los Angeles and Urban Theory at the End of the Twentieth Century*, pp. 22-46. Berkeley: University of California Press.

¹¹⁶ Tate Modern (2007), ‘Diversity’, www.tate.org.uk/modern/exhibitions/globalcities/diversity.shtm

¹¹⁷ US Census (2010), ‘Los Angeles city, CA,’ <http://factfinder.census.gov/>

¹¹⁸ Ibid.

One in ten Angelenos are Black or African American. In the period from 1920 to 1960, African Americans from across the US arrived in Los Angeles and its ethnic population rapidly grew. Since 1990, the African American population in the central city has fallen dramatically due to suburban relocation, with Latinos moving into once predominantly African American districts especially in South-Central Los Angeles.¹¹⁹

The city's political and cultural representation to a large extent reflects this overall diversity. Asian and Pacific Islander American Heritage Month is, for example, a keenly planned showpiece led by the Mayor which honours the city's cultural richness, while for almost two decades the LA County Human Relations Commission has led a celebration of Cultural Diversity Month, which focuses on the potential and leadership among diverse communities. The *Los Angeles Times* Festival of Books is another notable annual event that proudly illustrates the mosaic of ethnic and racial groups and cultures.

Presence of Global Firms

As the premier American gateway to Latin America and the Pacific Rim, international trade is an important part of the Los Angeles economy, with two-way trade through the L.A. Customs District valued at over \$300 billion per annum. The City's Chamber of Commerce is a strong proponent of Free Trade Agreements (FTAs) to provide businesses with access to international markets. The ports of Los Angeles and Long Beach handle close to 40% of all the cargo containers that enter the United States. But while 100 consul generals and trade commissioners call Los Angeles home,¹²⁰ the presence of global firms is not especially impressive; foreign-owned firms in LA County only account for about 2% of private sector businesses, although they do employ close to 10% of private-sector workers.

Country	Number of firms
Japan	1,413
UK	794
France	360
Germany	334
Canada	278

Source: LAEDC (2008), <http://www.laedc.org/reports/FDI-2008.pdf>

The Globalization and World Cities network (GaWC) has found that Los Angeles has fallen to 15th in the world in terms of gross global connectivity by 2008, down from 9th in 2000.¹²¹ The city has been overtaken by Madrid, Frankfurt, Toronto, Brussels and even Sao Paulo on this index.

Inward Investment

Inward foreign investment is has not been exceptionally strong in Los Angeles. The city did not make the top 50 world cities for attracting greenfield FDI projects in the period 2003-6.¹²² The leading investment sources in the County are from the developed world, notably Japan, while retail and wholesale firms remain the most dominant foreign investment sectors.¹²³ Japan is the top foreign investor in LA County in terms of employee wages and total companies.

Los Angeles is emerging as a key centre for Pacific Rim markets beyond Japan. In terms of emerging markets, the two largest investors into LA County in recent years have been Taiwan and China, both of which have a strong electronics and banking presence in the city. Other important sources of investment include South Korea (89) and Mexico (57). In total, however these four leading countries make up just 8.9% of total foreign enterprises, indicating a lack of penetration by emerging markets.¹²⁴ This is an urgent concern given the considerable middle-end job losses in aerospace, manufacturing and high-end business services over the last five years.¹²⁵

Openness to migration

Los Angeles and its surrounding territories were built by immigrants, who have contributed to the City's cultural, economic and social dynamism. Business leaders recognize (and data supports the fact) that

¹¹⁹ Prolades (2010), 'Los Angeles Demographics', http://www.prolades.com/glama/la5co07/demographics_2000.htm

¹²⁰ Los Angeles Area Chamber of Commerce, Chamber Voice Spring 2008 (http://www.lachamber.com/clientuploads/voice/voice_spring08.pdf)

¹²¹ Peter J. Taylor and Rolee Aranya (2008), "'A Global 'Urban Roller Coaster'?: Connectivity Changes in the World City Network, 2000-2004', *Regional Studies*, Vol.42 (1),pp.1-16

¹²² OCO Consulting (2008), 'What's new in OCO' www.ocoglobal.com/publications/fdi_quarterly_issue_five.pdf

¹²³ LAEDC (2008), 'Foreign Direct Investment In Los Angeles County Final Report', www.laedc.org/reports/FDI-2008.pdf

¹²⁴ Ibid.

¹²⁵ Joel Kotkin (2008), 'Los Angeles is paying the price for mayor's focus on real estate', CityMayors, www.citymayors.com/economics/us-la-economy.html

immigrants come to Los Angeles County to find employment. Indeed, a large proportion of the working age population is foreign-born. In fact, between the ages of 30 and 44 across all categories, more than half of the population of Los Angeles County is foreign-born; between 45 and 54, it is exactly half. In the younger working age categories (between the ages of 20 and 29), natives dominate but this is also where we find the highest concentration of the most recent migrants. In any case, immigrants are a significant segment of the general population of Los Angeles that is working, living, and spending throughout the region. Their contribution to the local economy is vital, especially in terms of their labour; without them there would be a job surplus. Indeed, Los Angeles leads the nation in the number of new ethnic businesses and is also the primary generator of larger ethnic firms.

By 2000 Los Angeles became the nation's major immigrant port of entry, supplanting New York City. The foreign-born grew from about 23 % of the population in 1980 to 37 % of the population. Top on the list of migrants are Mexican. Although Mexicans do comprise the largest share of foreign-born in the area, the relative presence of Mexican immigrants has been decreasing. Mexicans comprised 44.6% of immigrants that migrated to the United States over 30 years ago. Mexican immigrants made up only 36.3 % of immigrants who migrated in the last ten years or less. Further, the number of immigrants from Western Europe and other Latin American countries has decreased. In that same cohort, immigrants from China, the Philippines, Guatemala, Korea, Armenia and South Asia have comprised a larger share than before. Understanding the full impacts of this diversity – and not just designing programs that will serve Spanish speakers – is a major challenge for service providers, city planners, and others.

Case study initiative: The Los Angeles Minority Business Enterprise Center (MBEC)

Overview

The Los Angeles Minority Business Enterprise Center (L.A. MBEC), inaugurated in 1996, is operated by the University Of Southern California (USC) Business Expansion Network, which is a unit of USC Civic and Community Relations. The mission of USC's Business Expansion Network is to foster and cultivate the entrepreneurial spirit that exists within the local communities in Los Angeles, including individual people, businesses and organisations. The Network utilises the operation of the L.A. MBEC in order to further pursue this goal. Indeed, through the L.A. MBEC, USC provides access to educational and technical resources that foster business expansion and job creation throughout Los Angeles County.¹²⁶

Whilst USC is in charge of operating the Center, funding is provided by the U.S. Department of Commerce, through its Minority Business Development Agency (MBDA).

The Center itself is very clear and bold in its mission and states that it is to 'Increase the participation of ethnically owned businesses in the free enterprise system by providing consulting services, access to market opportunities, business financing and advanced business training.'¹²⁷

Target audience

The L.A. MBEC is very clear in terms of the specific segment of the population that it is targeting for assistance. In order to qualify for assistance from the L.A. MBEC, the individual's business who is applying for assistance must meet the following criteria:

- The minority-owned business must be at least 51% owned by ethnic minorities, and must be located in Los Angeles or Ventura County.
- As a rule, although this is at the discretion of the Center, the business must have \$500,000 or more in revenues and/or have significant start-up capital with proven management experience.

Services for ethnically owned businesses

¹²⁶ Los Angeles MBEC (2010), <http://www.losangelesmbec.org/aboutus.htm>

¹²⁷ Ibid.

The Los Angeles MBEC team consists of a highly-accomplished, multidisciplinary group of professionals with a vast amount of industry experience across a wide range of sectors. The result of this is that the Center can offer advice and service in four major areas of business:

Procurement

Minority owned, small and women-owned businesses are generally by definition disadvantaged when it comes to bidding for large scale contracts which are put out for tender at the federal, state and city level. Therefore, one of the services which is provided by the L.A. MBEC is an opportunity to become certified. These certifications allow minority and disadvantaged businesses to compete with much larger companies for state, federal and city contracts.

The Los Angeles MBEC provides the following services to help expedite the certification process, reducing the rejection rate, and allowing businesses to start bidding more quickly:

- HUB Zone Certification (one-on-one)
- SDB Certification (seminar)
- City of Los Angeles: MBE, WBE, EBE, DVE (seminar)
- County of Los Angeles (seminar)
- Caltrans (seminar)
- 8(a) Federal Certification (one-on-one).

Business Training

The L.A. MBEC recognises that one of the biggest obstacles to successfully running a business for minority communities can be a lack of practical business education. In response to this realisation, the L.A. MBEC hosts the internationally replicated FastTrac entrepreneurship programme for start-ups and growing businesses. The programme is offered in both English and Korean.

Over an 8 to 10 weeks period the programme's classes and seminars cover the following topics:

- An introduction to the entrepreneurial mindset.
- What makes an effective management team?
- Pertinent legal knowledge.
- Marketing, including how to conduct market research, analysis of that research and how to use this evidence to penetrate the market more effectively.
- Financials.
- Budgeting.
- Operations and how to effectively grow a business.
- Sources of capital.

Anticipated outcomes of the programme include:

- Knowledge – individuals will learn how to properly manage and market their business.
- Networking – the programme provides participants with the chance to meet other likeminded entrepreneurs in their area and to form a network of business associates.
- Certificate - upon completion, students will receive a non-credit USC Certificate of Completion.

Financing

The Los Angeles MBEC has close relationships with traditional lenders such as banks, as well as non traditional lenders such as revolving loan funds, purchase order financiers and accounts receivable factors. The service which it provides to its clients in this regard is firstly in an advisory service, but also the Center helps their clients to prepare a proposed loan package, which is then presented to their lending partners on their clients behalf; a step designed to maximise the client's chances of approval.

Specifically, the L.A. MBEC offer assistance in the preparation of loan proposals for the U.S. Small Business Administration 7(a) loan guaranty programme, 504, Community Express, conventional commercial loan products, as well as alternate lending programmes.

In terms of equity finance, Los Angeles MBEC possesses a list of venture capital providers, investment banks, private investment funds, and angels who they are able to approach for investment.

Consulting

The Los Angeles MBEC provides a number of high value consulting services, which are intended to help minority businesses grow and compete in the market place. These services include strategic business advice and business school student assignment:

Strategic Business Planning

- **Assisting minority businesses** by helping devise long term strategies that create a sustainable competitive advantage.
- **High quality, investor ready, business plans** , used to attract loans and equity.
- **Market reports** from University Of Southern California’s substantial information database
- **Company, industry specific, or general business research**, drawn from subscription-based databases (eg Standard & Poors) , saving clients thousands of dollars in database subscriptions.
- **Geographic Information System (G.I.S.)** to provide demographic data tied into street address, zip codes, block groups, and census tracks. The “business maps” allow businesses to easily identify emerging markets for their products by helping to visualise relationships

Student Projects

- **Student support** - business students from the USC Marshall School of Business are assigned to work with select clients on individual projects. Such projects include business planning, marketing, change management, and general consultancy, with direct practical engagement demanded of students

Personnel and strategic partners

The Los Angeles MBEC adopts a strong partnership working approach to its work. It has a core team of individuals who are relationship managers, as well as functional experts in the various fields that have been previously mentioned. This core team is made up of the Director, full-time staff consultants, part-time consultants, a project coordinator, and Project Assistant. The core team is the backbone of the MBEC and is directly responsible to the USC and the MBDA. However, in addition to this the MBEC has an extended team, which is a pool of freelance consultants that are brought in by the Center on an ad hoc basis to add specific value to an individual organisation which is being assisted, through specialist training and advice. This extended team, however, is not involved in the client relationship side of the Center’s activities.

Furthermore, the core and extended teams of the L.A. MBEC are supported by their relationships with the Center’s strategic partners. These strategic partners have a reputation for excellence in their field and are collaborated with through providing client services, referrals, and exposing clients to procurement and financing opportunities. The current LA MBEC strategic partners include: Los Angeles Unified School District; USC Marshall School of Business; USC Supplier Diversity Service; Asian Pacific Revolving Loan Fund; East West Bank and the Valley Economic Development Center.

Impact

Since its inception in 1996, the L.A. MBEC (and its predecessor, the West Los Angeles County MBEC) have assisted over 1,200 local minority business enterprises in securing over \$140 million in finance and procurement transactions.¹²⁸

¹²⁸ Ibid.

2.6 London

Overview

Between 1990 and 2008, London was arguably the exemplary world city in the contemporary global economy. Its 8 million city population has enjoyed two decades of remarkable growth and is now ranked fifth in the world for city GDP. The city is the nucleus of an emerging 21 million Greater South East region, whose clusters provide much of the intellectual and innovative platform upon which London has thrived.

The profound economic crisis is set to push London's capacity for re-invention to the limit, but many commentators remain confident that the city will emerge from the downturn still a leader in financial services, media, high technology and fashion. The eastern Thames Gateway region is set to provide a major boost to the city's economic potential, aided by improved transport connectivity. London remains a highly welcoming and attractive city in which to work, and the forthcoming Olympic Games in 2012 provide a global platform for marketing the city as the 21st century's most dynamic multicultural urban centre.

The financial shift towards Asia and the Middle East demands that London works in co-operation to produce a robust and competitive model of financial market regulation. Security remains a serious challenge as London is a high-profile target for domestic and international terrorism. Finally, improving London's quality of life is essential, most notably through ensuring transformative transport and public space projects are funded on time.

KEY AREAS OF GLOBAL STRENGTH

Established global financial leadership - no obvious financial centres immediately ready to displace London. City continues to provide outstanding market access, legal infrastructure and staff, and has profitably captured emerging markets.

Olympics as springboard for economic rejuvenation – London 2012 is set to provide a supreme catalyst for global brand enhancement, and the comprehensive urban regeneration of East London and the Thames Gateway

Openness to ideas and talent – unique diversity and cosmopolitanism, coupled with flexible labour laws, means London is consistently capable of attracting the very best talent, and performing a hub function for creative and lucrative ideas

Outstanding higher educational facilities – an established global information capital, which attracts and retains the brightest international minds. Educational strength provides the capacity to adapt to future economic conditions and adjust skillsets appropriately

KEY CHALLENGES FOR GLOBAL COMPETITIVENESS

Uncertainty following of economic crisis – though the fundamentals of the London economy remain strong and continued GVA and job growth is expected, the banking crisis has caused London to question its economic model into the future.

Transport infrastructure – despite CTRL and the prospect of Crossrail, intra-city mobility can be hampered by a lack of capacity. Overall transport system incapable of managing future population growth.

Quality of life – though the 2010 London Annual Survey concluded that Londoners are happier than any other time in the past ten years, liveability is relatively low compared to other cities. Crime, congestion, and a long-term terrorism threat remain concerns.

Costs – a prohibitive cost of living, particularly in terms of housing affordability, is severely hampering the prospects of the city's lower and middle-class.

Introduction

London and the GSE represent the economic engine room of England. At the turn of the 21st century, London was clearly one of the world's top three world cities, with Tokyo and New York, recognised as a highly energetic and diverse society (30% ethnic minorities). With a 25km radius bounded by the M25 orbital motorway, the city population is expected to rise from 7.2 to 9 million by 2030. Since the 1990s, London has made considerable gains vis-à-vis New York in terms of dynamic economic leadership and population growth. 2008 figures show London has the highest labour productivity in the world.¹²⁹ London's future as a world-class city rests upon a number of factors it has retained through the economic crisis. The city maintains its excellent time zone advantage, outstandingly skilled and flexible workforce with established expertise, robust legal system, and cultural appeal.

The emerging GSE region extends over more than 20% of England's land area, and incorporates 21 million people across three regional administrations, London, the South East, and the East of England. With an annual GDP of over \$800 billion, it ranks as the 10th largest economy in the world. Outside the central city of London are at least 50 other significant and often functionally interdependent urban centres, ranging in size from 70,000 to 300,000, which have shown consistent and strong growth in the last half century. The GSE performs key gateway functions and is home to specialised services and IT clusters, as well as highly competitive universities and which provide London with a multi-talented workforce. Commuters from outside the Greater London fill almost one in five of the city's jobs. This successful city-region model, for many commentators, is set to be pivotal to London's capacity to recover from the 2008 finance sector collapse.

In light of the 2008 recession, London's economic challenge will be a degree of diversification away from finance as the sector will not support previous levels of job growth. The goal will be to maintain/enhance competitiveness in established global sectors and also further develop further other sectors where London's performance is world-class such as the creative and cultural sectors as well as Higher Education. As of October 2008, almost one-third of London's 4.2 million jobs were supplied by finance and business services. Other activities dedicated to providing key local services - in energy, construction, distribution, education and health - are comparatively underrepresented. There is also a distinct lack of substantial manufacturing employment (3.7% of jobs), with only a third as many jobs as might be expected from the size of London's total employment.¹³⁰ The city's future potential depends to a considerable degree on facilitating growth in niche industries such as environmental technology, design and media, while preserving its world-leading strength in advertising, law and public relations.

Among London's other major threats to quality of life are the cost of living and housing. Both are cited among the top three worst aspects about living in London by its residents, as the chart opposite shows. Improving transport infrastructure, relieving congestion and managing social inequality are all key tasks for London's policymakers over the next decade.

Global Reach, Openness and International Exposure

London has a very robust and adaptable record as an international business centre, thanks to a recent history of innovation, outreach to emerging markets and exceptional openness to international populations. The European Cities Monitor (ECM) has ranked London as Europe's top city business location every year since 1990.

Population Dynamics and Demographic Diversity

Diversity Works for London describes London as a "city of contrast, home to the 'Square Mile', the world's leading international financial and business centre as well as some of the most disadvantaged areas and communities in the UK."¹³¹ Its demographic composition is no different. Home to 7.5 million people accounting for 12.5% of the UK population, it is quite different to other UK cities: 30.2% of London's population belong to non-white ethnic groups (compared to 10.5% in the rest of England), 58% of Londoners describe themselves as Christian (compared to 72% in England and Wales as a whole), and 44% of the city's residents are aged between 20 and 44 years-old (compared to 35% of the total UK population).¹³² Indeed, of the 28 local

¹²⁹ Global Urban Competitiveness Report (2007-2008),

www.gucp.org/admin/WebEdit/UploadFile/Global%20Urban%20Competitiveness%20Report.doc

¹³⁰ Financial Times (2009), <http://www.ft.com/cms/s/0/5ca63494-f8a7-11dd-aae8-000077b07658.html>

¹³¹ Diversity Works for London, (2010): Overview, <http://www.diversityworksforlondon.com/server/show/nav.006006007>

¹³² Office of National Statistics (2007): Focus on London: Population and Migration,

authorities in the UK described as 'highly diverse' by an Office of National Statistics study, 24 are in London.¹³⁵ The most diverse local authority in the UK is Brent (in north-west London) where there is an 85% chance that if two of its residents were drawn at random they would come from different ethnic groups.¹³⁶

Though slightly outdated now, the Office of National statistics give an excellent breakdown on the estimated resident population of London by ethnic group. It is displayed below in pie-chart format.

Though the London Councils source would wish to promote the benefits of diversity to the city, the signs suggest that diversity does indeed benefit the city. In demographic terms, 85% of Londoners say that their local area is a place where people of different backgrounds get on well together.¹³⁷

Presence of Global Firms

London is 2nd only to New York in terms of numbers of global firms, and remains far ahead of the third city, Hong Kong. In terms of the intensity and density of global firm networks, London is ahead of Paris and all other European cities, and operates at an order of magnitude far beyond that of any other UK city. More than 500,000 people in London work for foreign-owned firms. London displays a high concentration of advanced services firms, and is a major hub of international legal, accountancy, consultancy and insurance firms. London continues to be identified by international firms as the European location with the deepest and most specialised international skills and business knowledge and as a primary source of innovation and key contacts.

Global firms are set to remain highly visible in London due to two critical long-term factors. Firstly, English remains the language of international commerce, which gives London a healthy advantage. Secondly, English law is the law of choice for international contracts. Partly because of this institutional advantage, six of the world's ten largest international law firms are headquartered in London and over 200 foreign law firms have established offices in London.¹³⁸

Inward investment

London's investment credentials remain strong, even in volatile economic conditions, because of the wide and diverse talent pool which offers a rich and varied source of quality support to companies. London's main rivals for foreign investment in recent years have been Barcelona, Dublin, Paris and Frankfurt, but the city has retained its position as Europe's most attractive city to invest in. Ernst & Young's 2008 Country Attractiveness Survey found that London secured 262 investment projects in 2008 compared to 222 in Paris and 80 in Madrid.¹³⁹ London continues to drive 30% of foreign direct investment (FDI) into the UK, FDI generates upwards of GBP 50 billion in the city annually.¹⁴⁰

Think London is London's public-private inward investment agency, with a GBP 6m annual budget funded by the London Development Agency (LDA), the City of London and business network London First. Since 1999, the agency has assisted more than 1,200 companies from 44 countries create over 40,000 jobs in the city. It was rebranded in 2004 and is run by highly experienced leaders in business and government, with a business-led board made up of non-executive directors. The management team includes 'observers' - non-board members from the public sector - who attend board meetings to ensure corporate governance and best practice. The agency is recognised for its excellent business partnerships, including with the Central London Partnership, Gateway to London, North London Business, South London Business and West London Business. It also has

<http://www.statistics.gov.uk/cci/nugget.asp?id=1812>

¹³³ Office of National Statistics (2004): Labour Market Data for Local Areas by Ethnicity

¹³⁴ Office of National Statistics (2001): Census 2001: KS07 Religion

¹³⁵ Office of National Statistics (2006): Focus on Ethnicity and Religion

¹³⁶ Office of National Statistics (2006): Focus on Ethnicity and Religion

¹³⁷ London Council's (2008): Survey of Londoner's 2007/08

¹³⁸ HM Treasury (2006), 'Strengthening London's position as the world's leading international financial centre', http://www.hm-treasury.gov.uk/bud_bud06_press04.htm

¹³⁹ GLA (2009), 'London is winning through recession says Mayor', http://www.london.gov.uk/view_press_release.jsp?releaseid=22299

¹⁴⁰ Think London (2009), 'Foreign Direct Investment into London shows resilience', http://www.thinklondon.com/media_centre/content/April_June_2009/FOREIGN_DIRECT_INVESTMENT_INTO_LONDON_SHOWS_RESILIENCE.html

offices in New York, Beijing, San Francisco and Mumbai established in 2006-7, and a website available in Chinese.

In March 2009 Think London formulated an action plan to turn some of the recession effects into opportunities for international companies to expand their European presence by locating in London. The agency is offering to provide incoming companies with free office space for 12 months along with the support of a dedicated adviser and access to its network of advisers on accounting, recruitment, immigration and legal matters. The agency has also undertaken a 12-city coast-to-coast roadshow in North America in 2009.¹⁴¹

Think London has created and extended 'Touchdown London' in 2009, a service to help international businesses setting up in the capital with free office space, facilities, and a dedicated advisor. In three months since its launch in March 2009, over 17 foreign companies located in London and a further 50 held talks, with most based in IT, professional services, and retail.¹⁴²

Capture of emerging markets

London's arguable recent 'take-over' of New York as the financial capital of the world has much to do with its superior capture of business in emerging markets, especially in the BRIC markets (Brazil, Russia, India and China). Geographically, London is well positioned to do business with Russia and Asia, and in recent years, the London Stock Exchange has become an increasingly attractive proposition for international companies. New IPOs – worth GBP 29.4bn in 2006 – have risen in particular from emerging Asian Markets and Eastern Europe. London recorded the world's 2nd highest number of inward greenfield FDI projects between 2003-6, the only in the developed world to be ranked in the top 7.¹⁴³ Prior to the financial crisis, London emerged as a clear favourite among executives from BRIC countries, and is well-positioned to capture much of the incremental international demand for financial and business services generated by the internationalisation of emerging markets.

The city has strong investment links in South and Central Asia. In the last five years the City of London has opened offices in Shanghai, Beijing, and Mumbai aimed at strengthening trading and investment links in both directions, trading world-class financial services and products. India has meanwhile become the city's second largest source of new investment after the US. London is also attracting interest from Latin American companies, which have typically been a Wall Street domain. London's less stringent regulatory framework has been a major reason for this new attraction for businesses from emergent economies, and it depends on the new regulatory structure that emerges in 2009 as to whether this trend will continue.

Think London has intensified focus on promoting London as a key business destination for Chinese companies. The agency established relationships during the Beijing Olympics in 2008 and through its three month 'Road to London' road show through 11 Chinese cities in late 2008. In April 2009, Think London and its partners staged 20 high-profile business-related initiatives for 35 Chinese business leaders in one week. Think London has assisted more than 60 Chinese companies to set up since 1999.¹⁴⁴

International Institutions

London is a major international institutional centre, arguably the world's most important consular city, with more than 180 embassies. It is home to the EBRD (European Bank for Reconstruction and Development) and the IMO (International Maritime Organisation). In terms of institutional importance, it is only surpassed by New York, Washington, Brussels, and, arguably, Geneva.

Openness to Migration

¹⁴¹ Financial Times (2009), 'London seeks to cash in on recession and weak sterling', <http://www.ft.com/cms/s/0/99d55126-0ddb-11de-8ea3-0000779fd2ac.html>

¹⁴² GLA (2009), 'Mayor outlines capital's business case in Seoul', http://www.london.gov.uk/view_press_release.jsp?releaseid=22058

¹⁴³ LocoMonitor (2008), 'Top 50 Cities Ranked By Performance in Attracting FDI (2003-2006)',

www.ocoglobal.com/publications/fdi_quarterly_issue_five.pdf

¹⁴⁴ GLA (2009), 'Connecting Chinese Businesses To London', http://www.london.gov.uk/view_press_release.jsp?releaseid=21378

London's enduring appeal for skilled migrants – both domestic and foreign – is an indispensable economic driver moving forward. Approximately 45% of highly skilled workers in London come from other UK regions, and 30% from international destinations.¹⁴⁵ In 2004, an estimated 218,000 international migrants came to live in the city, equivalent to almost 3% of its population. In the same year, a further 155,000 migrants came to London from the rest of the UK.¹⁴⁶ Indeed, London has exemplified openness for several decades, and is one of the most successfully diverse city societies in the world. Its tradition of openness to flows of transnational skilled labour and foreign firms is regarded by senior business actors as critical to specialised production functions in international business networks. London has more flexible labour laws than many of its rivals, and also has open access to the European Union labour market, which is larger than the USA labour market, with total populations of around 494m and 300m respectively. Poles, Lithuanians, Latvians, and others from Eastern Europe have been arriving at the rate of 16,000 a month since Eastern European nations were admitted to the EU in May 2004. Visas for Britain have remained easily available, despite the July 2005 terrorist attacks. The UK's relatively open borders have become an indisputable competitive advantage. Skills shortages in teaching, nursing and IT have been overcome by immigrants, generally from Australia, New Zealand and South Africa.

The lenient treatment of non-domiciled residents – typically, very wealthy people who work in London and buy homes in London but assert that their real 'home' is elsewhere – has also added to the city's lure. However this attraction is tempered by a 2008 levy of a GBP 30,000 tax on non-domiciles, alongside new, tighter regulations on banking bonuses and a cut on pension tax relief for top incomes. The city's attraction to high-end international talent has also been threatened by the national government's 50% income tax rate on earnings over GBP 150,000, which is expected to impact on over 80,000 Londoners.¹⁴⁷ The move threatens to deter talent from the City's finance sector and discourage entrepreneurs. While Mayor Boris Johnson has demanded its abolition if a Conservative government win the 2010 election, the Mayor has little capacity to manoeuvre on this issue.¹⁴⁸

Case Study Initiative: Diversity Works for London

Overview

A global magnet for migrants and refugees, talented or unskilled, London's diversity is considered one of its most significant strengths. Keen to realise the opportunity of his city's demographic diversity, the Mayor of London inaugurated a new initiative to make the business case for diversity and implement the rationale within small, medium and large enterprises in the capital. Created in 2005, administered by the London Development Agency and supported by a GBP 9.8 million grant for four years of activity, Diversity Works for London (DWfL) essentially acts as a provider of diversity expertise for London's businesses. It argues that diversity gives businesses the opportunity to:

- Move into new markets and source a wider range of customers
- Create an inclusive working environment, motivating existing employees and improving productivity
- Find better suppliers and new investors
- Gain a competitive advantage by providing consistently better services to existing customers
- Find and retain skilled and versatile employees
- Increase creativity and innovation
- Increase penetration of overseas markets in a globalised economy
- Win larger public and private sector contracts, which are increasingly being awarded on the basis of non-financial criteria such as diversity.¹⁴⁹

At the heart of its programme is the DWfL 'Gold Standard Diversity System' – a suite of tools to teach and accredit equality and diversity practices within London's business community.

¹⁴⁵ Financial Times (2009), 'London cooling', <http://www.ft.com/cms/s/0/5ca63494-f8a7-11dd-aae8-000077b07658.html>

¹⁴⁶ Office of National Statistics (2007): Focus on London: Population and Migration, <http://www.statistics.gov.uk/cci/mugget.asp?id=1812>

¹⁴⁷ GLA (2009), 'London hit four times harder than rest of UK by Government's plans to tax high earners', http://www.london.gov.uk/view_press_release.jsp?releaseid=21840

¹⁴⁸ Financial Times (2009), 'Warning of 50p tax rate City exodus', <http://www.ft.com/cms/s/0/9ca1fccc-3068-11de-88e3-00144feabdc0.html>

¹⁴⁹ London Development Agency (2010): The Business Case for Diversity, <http://www.lda.gov.uk/server.php?show=ConWebDoc.1484#top>

According to the London Development Agency, “diversity gives business the opportunity to grow, and the challenge for every company operating in London is how to utilise this massive potential for the benefit of their business. Diversity Works for London provides support for businesses in responding to this challenge.”¹⁵⁰

History and background

DWfL was launched in March 2005 by the Mayor of London to underpin the ‘capital’s status as an economically dynamic world city.’¹⁵¹ The Mayor was determined that the city ‘achieve measurable improvements in how organisations across London reflect [its] diversity.’¹⁵² Though initially only conceived as a four year project, running from 2005-2009, it was none the less billed as “one of the biggest campaigns to support diversity in any city” at the time.¹⁵³

Now having been running for five years, the initiative has moved from strength to strength. Its programme areas have diversified, its levels of engagements deepened.

Overall vision and mission

Diversity Works for London (DWfL) ‘engages with businesses to produce a step change in their diversity practices, achieving a London where they harness the benefits of a diverse workforce, marketplace and supplier base and provide all Londoners with equal life chances. DWfL is a key centre of diversity expertise for London’s businesses, and seeks to continue to provide them with good practice standards and support on all aspects of diversity to enhance their business performance and improve their diversity practices.’¹⁵⁴

London Development Agency extract: London’s diverse economy¹⁵⁵

The identity of London’s population, and therefore its workforce, is changing. It is being shaped by irrevocable demographic, global economic and social trends which are prime opportunities to boost and improve the status of the city’s economy and people.

- Londoners speak over 300 languages and belong to at least 14 different faiths.
- Nearly a third of the city’s population is from black, Asian or other minority ethnic (BAME) groups and over the next 10 years they will account for 80% of the increase in London’s working age population.
- By 2010, 40% of the workforce will be over the age of 45.
- London’s BAME communities have enormous spending power, with an after-tax income of around GBP 16 billion.
- At least 5% of London residents are gay or lesbian – the economic value of the ‘Pink Economy’ in the UK is estimated to be around GBP 95 billion.
- BAME-owned businesses generated a combined sales total of GBP 90 billion in 2004, and made a significant contribution to the London economy in terms of job creation, GDP, income and wealth creation.

It has been estimated that more than 600,000 new jobs will be created in London over the next 11 years and people from London’s diverse communities will make an important contribution to filling these jobs and to boosting London’s economy as a result.

Despite these visible economic, demographic and social changes there is strong evidence of existing inequality of opportunity in the London workplace. This is illustrated by disparities in rates of employment, in rates of unemployment and in the high levels of under-employment for many diversity groups:

- Women make up almost half of the workforce, but less than 10% of directors of FTSE 100 companies are women and they earn on average less than 75% of similar male incomes
- London’s economic output would be GBP 1.5 billion higher if part time employment rates for women with children in London were raised to equal those in the rest of the country
- Black, Asian or other minority ethnic graduates are less likely to secure good jobs compared to similarly qualified white graduates
- Employment rates for Bangladeshi and Pakistani men are at least 20% below those similarly qualified
- One fifth of the working age population has a disability, yet only 11% are in employment
- Government statistics show that by 2015, more than two-fifths of the workforce will be over the age of 50. People over 50 are less likely to become unemployed, but once unemployed take longer to return to work and are more likely to leave the labour force altogether.

Increasing globalisation and the eastwards shift of the centre of gravity of the world economy means that to stay competitive London’s businesses really need to ensure they are attracting the full wealth of available

Role of local government

The London Development Agency is the vehicle of local government which co-ordinates DWfL. Supported by the Mayor of London, it has the highest level of political buy-in possible in the city. As has already been stated, according to the Mayor, DWfL: “is about underpinning the capital’s status as an economically dynamic world city” by promoting equality, seeking and sharing business best practice and enabling businesses to ensure that all levels of their workforce reflect the diversity of London’s population.¹⁵⁶ Since the election of London’s new Mayor in 2008, DWfL has continued its early success. To show the Mayor’s continued commitment to the programme, a new funding agreement was made in March 2010. DWfL will have a budget of GBP 1.8 million for the period 2010-2013.

Implementation and key activities

DWfL undertakes a wide variety of activities in its attempts to support London’s business community through the promotion of, and deeper engagement with, diverse communities. In particular, the DWfL website states that the programme offers businesses:

- Management of a comprehensive online diversity toolkit detailing good practice standards covering the six equality strands.
- Interactive website with an online self assessment tool, supplemented with advice and practical guides.
- Business support products and validation of attainment of Gold level.
- Clear articulation of the business case for diversity.
- A sector specific, business focussed marketing and events programme.
- Producing and continually updating a detailed evidence base.
- Case studies of good practice within small, medium and large private sector businesses.
- Practical support for supplier diversity initiatives.¹⁵⁷

At the core of the DWfL work stream is the DWfL Gold Standard Diversity System. It consists of four component parts, which include:

- **The Gold Standards.** Involves the exemplification of best practices in all aspects of equality and diversity related to business performance, from workforce and workplace to marketplace and suppliers. There is a list of 24 standards for SMEs and a list of 36 for large enterprises.
- **The Gold Standard Diversity Toolkit.** An online tool which empowers firms to review and refine their own equality and diversity practices in the light of best practice elsewhere.
- **Gold Standard Diversity Accreditation.** An award to validate the achievement of reaching Gold level.
- **Business support.** An advice service to further support firms in their attempts to attain Gold level.¹⁵⁸

¹⁵⁶ London Government (2005): Press release, http://legacy.london.gov.uk/view_press_release.jsp?releaseid=4955

¹⁵⁷ Diversity Works for London (2010): Diversity Works for London, <http://diversityworksforlondon.com/server/show/nav.006006001>

Diversity Works for London case study of the Paper Clip Partnership: Managing a diverse workforce, recruitment and retention¹⁵⁹

The Paperclip Partnership is a small private company based in Kingston Upon Thames that provides its multi-national customers with a number of public relations services, including media monitoring (of the coverage that a marketing campaign delivers), media evaluation (of the value of that campaign) and presentation services. To retain competitive advantage and meet the needs of its customers, it has recruited a team of 30 men and women from different nationalities and ages who work successfully together.

The client-facing staff work on an account and project basis for multi-national clients where English could be the common language. However, the Paperclip Partnership approach is to match its staff with the language and cultural understanding of the client's target countries, so that they can not only communicate with local staff, but they can also evaluate the tone and style of international press coverage. The Partnership promotes its diversity during the sales process by limiting the need for non-specialist translation services.

The Paperclip Partnership made this diverse team work by offering a high degree of autonomy to staff and encouraging flexible working practices. Hours range from extended office opening hours to offering early hours part-time work to a staff member with caring responsibilities. They believe that this, together with other aspects such as the (18-80) age range of their workforce, adds new ways of thinking to their business.

Broad impact

One of the strongest impacts in terms of the breadth and depth of DWfL is the reinforcement of diversity as a business imperative. Working with over 3,500 registered users, the programme makes the case for diversity and helps London's businesses to realise the comparative advantages and long term business benefits of quality and diversity.

The DWfL, for example, contends that "by encouraging greater supplier diversity, these businesses are better placed to attract a wider customer base and recognise new markets. Success in their own business will contribute to the success and competitiveness of the London and national economy."¹⁶⁰

Furthermore, the evidence points towards diversity of staff composition assisting in the attraction and retention of talented workers. Indeed, 'well-led diverse teams can outperform homogenous teams by as much as 15%.'¹⁶¹ Research shows that heterogeneous teams can bring new perspectives, ideas, and experiences to the working environment, as well as enhancing competitiveness by being able to offer better tailored business solutions and services to clients. As DWfL highlights, "these are essential requirements for the survival and expansion of businesses of all sizes and types operating in London."¹⁶²

As a result, DWfL projects and programmes, as well as its Gold Standards, are widely supported by the civic, public and private communities. Across a range of firms, large and small, public and private, from Lloyds TSB to the Federation of Small Businesses, Diversity Works for London has received positive recognition.

Private sector perspectives on the Diversity Works for London Programme¹⁶³

"Overall I think the Diversity Works for London Gold standard is very good, it's what everyone wants to see. Simple, clear and actionable. The business case descriptor is one of the best I've seen in terms of offering real clarity."

Caroline Waters, BT - Director, People Networks BT Group

"We found the information vital to enable our company to diversify & move into other fields during this economic downturn."

Peter Willsher, Constant Cooling - Sales Director

"I really am both personally and professionally excited about the new benchmarking tool. I am often asked to meet organisations that are about to embark on the D&I journey and are quite overwhelmed. It's so useful to be able to refer them to your site and suggest that they use the benchmark to start developing their strategy. I think the benchmark for larger organisations is long overdue. I am looking forward to formally completing it and being able to track our progress."

Fleur Bothwick, Ernst and Young - Diversity & Inclusiveness Director

"Having worked with DWfL for a number of years I am confident that the new Gold Standard is both responsive to the needs of London's business and a value adding proposition. The easy to use traffic light scoring very quickly tells a business leader the key priority areas to focus their attention on. I encourage all businesses to use the toolkit to fully harness and leverage the business benefits of London's diversity."

Sir David Bell, Pearson plc - Director for People

"The Diversity Works for London Gold Standard Toolkit is an excellent way of assessing your company's performance on indicators you may never have considered before. Businesses today need to keep their

Conclusion

As well as promoting equality practices in the workplace and through recruitment, DWfL is a key centre of diversity expertise for London's businesses. It highlights the practical business value of diversity in all its forms and provides those with an appetite to learn more with the tools to capitalise on the advantages it can bring.

2.7 Hong Kong

Overview

The Hong Kong Special Administrative Region (HKSAR) is one of China's two Special Administrative Regions (SARs) the other being neighbouring Macau. Comprised of over 260 islands, Hong Kong is located on the eastern side of the Pearl River Delta (PRD), and has an estimated population of 7 million as of 2009. The surrounding PRD region, made up of nine separate municipalities located within the borders of Guangdong province, has a population of close to 48 million and is the manufacturing powerhouse of China. The Greater Pearl River Delta which consists of the Hong Kong SAR, the Macau SAR and the Pearl River Delta region portion of Guangdong Province is widely tipped to become one of the most dynamic business regions in the 21st century.

Under the guiding principle "One Country Two Systems", ex-colony Hong Kong has been able to develop as a primary node in the global economy under capitalist principles, despite China's socialist regime. Indeed, China is a strong advocate for Hong Kong's development as a world city, as a catalyst for wider regional success. In striving to be world-class, Hong Kong's world city rhetoric has a strong regional dimension. The city is positioned as a gateway to Mainland China and its proximity and relationship with China is regarded as mutually beneficial; Hong Kong acts as the location for financial services whilst China provides manufacturing capabilities and acts as an economic powerhouse. Hong Kong's highly developed financial services sector has been driven by free market principles, a low tax burden, high quality business services and a policy of non-interventionist government. The city-state's status is further enhanced by impressive transport infrastructure and openness to highly-skilled international immigrants.

Moving forwards, the Hong Kong administration sees large scale urban infrastructure as a way of both maintaining world-class status and driving local socio-economic development. The city faces a number of major challenges, including a lack of space which is driving up land and real estate prices, a high cost of living, shortages of skilled labour, poor air quality, high levels of income inequality and an ageing population. Hong Kong's claim to be 'Asia's world city' may also be challenged by the emergence of Shanghai and Singapore.

KEY AREAS OF GLOBAL STRENGTH

Geopolitical location - Hong Kong's location renders it uniquely capable of acting as the interface between the developed world and the world's fastest growing business economy

Capture of emerging markets – besides China, Hong Kong is set to benefit from increased links to South Asia and the Middle East, backed by the ambition for regional pre-eminence. The city already hosts the major regional offices for every significant legal, accounting, insurance, banking or other business service company in the world.

Culturally open, economically dynamic and well-governed - – the city's bi-lingual status, strong rule of law, and its managers' understanding of China's social and cultural practices, all enable the city to serve as a cultural intermediary between China and the outside world. Its low tax regime, free capital flows and convertible currency also position the city well

Outstanding global connectivity – highly favourable investment terms, combined with world-class advanced services clusters, have prompted an enormous influx of global firms, with particularly strong presence of U.S. corporations

KEY CHALLENGES TO GLOBAL COMPETITIVENESS

Land-locked geography – the island's spatial limitations are the source of an extremely high cost of living. Given that island growth is unavoidably limited, the city will require a radical, and potentially problematic, expansion into the PRD hinterland

Identity uncertainty – Hong Kong's future economic and political relationship vis-à-vis China is somewhat unpredictable, and affects how the city is able to brand itself

Environmental laxity - Air pollution and high greenhouse-gas emissions have considerable health and economic implications, and are harming the city's international credibility

Knowledge economy skills – the city's ambitious demand for knowledge workers is not matched by domestic skill development. Both Hong Kong and the PRD region's education system currently fails to produce enough skilled people to meet growing demand

Introduction

As late as 1986 it was classified as a 'secondary centre' within a 'semi-periphery country',¹⁶⁴ but in 2008, Hong Kong is considered a global city by almost all leading city analysts.¹⁶⁵ The city is recognised as a second tier alpha world city by the Globalisation and World Cities Network (GaWC) along with Chicago, Frankfurt, Los Angeles, Milan and Singapore. While the city is not a genuine global command centre, it is a well-established hub of financial services, corporate travel and international tourism.

Hong Kong operates on a different system to mainland China, as part of the 'one country, two systems policy,' which enables the city to run according to capitalist principles despite the overarching socialist system in China. Hong Kong has become a major driver for the Chinese government, which has recently sought to exploit the city's globally-oriented functions in order to encourage investment in the whole region. The city is bilingual to a large extent, with almost half the city population capable of speaking English and Chinese. This fact underpins the city's strategic positioning between the English-speaking economies in the West, and the Chinese economy. In a recent study by Forbes, Hong Kong was ranked as the world's 2nd most economically powerful city, behind London (1st) and above New York (3rd), primarily because it 'benefits [both] from its physical proximity to the Chinese mainland and its historical connection to Western markets.'

Hong Kong's 7 million population has a GDP of approximately HK\$1,472 billion (US\$189 billion)¹⁶⁶ and a GDP growth rate of 6.6%, making it one of the world's major city economies – 'an important secondary centre within a core country.'¹⁶⁷ It is an important centre for international finance and trade, with the greatest concentration of corporate headquarters in the Asia-Pacific region, and is known as one of the Four Asian Tigers for its high growth rates and rapid industrialisation between the 1960s and 1990s. The city is aiming to be world class, but may arguably emerge as a regional city – 'clearly positioned as a business hub for southern China, as well as the Asia-Pacific.'¹⁶⁸

The Pearl River Delta

In terms of regional context, Hong Kong is a city with somewhat flexible physical, economic and political boundaries. Hong Kong lies at the south-eastern corner of the Pearl River Delta (PRD) Economic Zone a geographic entity put forward by Guangdong Province in 1994, and 'one of the world's leading light manufacturing juggernauts.'¹⁶⁹ Covering approximately 42,000km², and with close to 50 million inhabitants, the Zone is comparable in size to Switzerland (41,000km²) and has a greater population than Spain. As a pioneer of China's open policy, and its close integration with Hong Kong, the PRD had developed rapidly from an agricultural society into the most externally-oriented economy in the country, ahead of the Yangtze Delta region and the Beijing-Tianjin-Hebei region, and has led the regional rankings for highest per capita GDP and export volume. In 2009, Guangdong, Shenzhen and Hong Kong recorded foreign trade of USD 1.2 trillion, or 42% of Hong Kong and China's total imports and exports.¹⁷⁰

¹⁶⁴ J Friedmann (1986) 'The world city hypothesis,' *Development and Change*, Vol.17, pp. 69–74

¹⁶⁵ David Meyer (1999), *Hong Kong as a Global Metropolis*, Cambridge: Cambridge University Press; Saskia Sassen (2002), *Global Networks, Linked Cities*, London: Routledge; P.J.Taylor (2006), 'Shanghai, Hong Kong, Taipei and Beijing within the world city network' GaWC Research Bulletin No. 204, www.lboro.ac.uk/gawc/rb/rb204.html

¹⁶⁶ IMF (2007), 'Hong Kong SAR', <http://www.imf.org>

¹⁶⁷ Ray Forrest, Adrienne La Grange and Ngai-ming Yip (2004), 'Hong Kong as a Global City? Social Distance and Spatial Differentiation', *Urban Studies*, Vol. 41, p.210

¹⁶⁸ Invest Hong Kong (2007), 'Hong Kong Asia's World City', http://www.brandhk.gov.hk/brandhk/e_pdf/efact12.pdf

¹⁶⁹ Zhao and Zhang (2007)

¹⁷⁰ O'Rear (2010): Personal Communication, Honk Kong Chamber of Commerce

Driven mainly by Hong Kong's investment and benefiting from a neat division of labour in the Hong Kong-PRD linkage, the PRD cities are home to highly competitive clusters in electronics, telecommunication, toys, garments, plastic products and ceramics. The region offers a huge export-led consumer market, low labour costs, and straddles the complementary economic bases of manufacturing in Southern China and financial services in Hong Kong. The region's dramatic growth has seen it described as a 'giant city spilling uncontrollably across international frontiers like a huge ink stain.'¹⁷¹ In 2008 the region accounted for 31% of China's total trade, and 47% of total FDI. Invest Hong Kong's regional GDP figures of US\$665 billion would place the GPRD the world's top 18th economy, yet Hong Kong is a leader by some margin in the region in terms of GDP, per capita GDP, and FDI.¹⁷²

The region's major advantage is its combination of enormous manufacturing capabilities alongside a world-class service centre. The region shares the Pearl River transport artery and benefits from comprehensive land, sea and air transportation facilities. Co-operation between Guangdong and Hong Kong is gradually becoming more regular, with both seeking to leverage off the other's competitive advantage. For Hong Kong, integration with the GPRD is set to strengthen its positioning as a gateway to China.

Hong Kong's leadership efforts are an important illustration of how strategic openness can achieve international eminence in particular industries, in its case finance and business services. Hong Kong's strategic mechanisms of economic non-intervention and facilitation, coupled with infrastructural provision, have enabled the city to become one of the world's leading financial centres. Despite unprecedented challenges to retain its competitiveness in light of the upheavals of the 2008 financial crisis, the city remains a strong example of how to position a city's financial sector globally. In the *Z/Yen Global Financial Centres Index*, Hong Kong (along with Singapore) is now considered to have joined London and New York as a 'genuine global leader', as of September 2009. Hong Kong's success is the result of an emphatic combination of historical openness, market positioning and infrastructural-cultural investment. The city's policy experience offers a number of lessons for cities looking to maintain their edge over time.

Hong Kong's history of open-ness since the 1950s has been one of consistent commitment to global linkages. Certainly the city has possessed two clear advantages with regards to developing its business sectors:

- **Time-zone position** - enabling it to engage in arbitrage operations between the West Atlantic, East Atlantic and Pacific centres, allowing 24-hour continuous trading.
- **Proximity to the huge mainland China market** - helping position it as a magnet for multinational firms.

Nevertheless, it has been the active policy-led facilitation of global connections at an early stage of globalisation which has been key.¹⁷³ Given the growing internationalisation of banking operations, Hong Kong's policymakers have continued to recognise the importance of providing a comprehensive package of integrated retail, service, and wholesale banking, and other complementary or ancillary financial services that could never have been achieved by the city's own financial institutions.

Hong Kong's distinctive achievements are, however, not just because it is an international financial centre, but also because it is a cosmopolitan city. At every stage of its financial development, Hong Kong's policy experts have looked to supply a broad and deep pool of talent with extensive international experience both vis-à-vis China and the rest of the world. This is because the city has been highly open to migration flows, of both rich and poor, identifying foreign immigration as essential for economic vibrancy.

Leadership and Diversity

Hong Kong is highly open to migration flows, of both rich and poor, and indeed depends on them for economic vibrancy. According to Donald Tsang in his Policy Address 2007-8, 'Hong Kong has always been a city of immigrants.' At present around 95% of the Hong Kong population are Chinese nationals. The remaining 5% forms a highly visible group despite their small numbers, with the most prominent immigrant groups coming from the Philippines, Indonesia and the U.S.

¹⁷¹ D. Sudjic (1996) 'Megalopolis now: Hong Kong, Shanghai and Jakarta' *City*, Vol.1(2), p.30

¹⁷² Enright et al (2006) 'The Greater Pearl River Delta: A report commissioned by Invest Hong Kong, 4th edition' (http://www.investhk.gov.hk/UploadFile/GPRD_4th.pdf) (Accessed July 2008)

¹⁷³ Y. C. Jao (1979), 'The Rise of Hong Kong as a Financial Center', *Asian Survey*, Vol.19 (7), pp. 674-694

Hong Kong is governed by an Executive Council and a Chief Executive. The current Chief Executive is Donald Tsang (pictured opposite). Tsang is noted for his financial acumen, administrative ability and international networking. While emphasising that Hong Kong is a Chinese territory with an ethnic Chinese majority, Tsang tries to play up Hong Kong's different value system. Hong Kong, he says, has been 'brought up with highly westernised values such as equity, fair play, the rule of law, human rights, clean government, clean air and everything that goes with a western society.'¹⁷⁴ This cosmopolitan attitude is accentuated by Tsang's efforts to position the city internationally. Tsang describes Hong Kong as 'Asia's world city', indicating that it is hospitable, family-friendly, culturally rich, demonstrating a confluence of many ethnic influences. Such uniqueness, for Tsang, means that Hong Kong will continue to be a distinctive region within China that will not be homogeneously incorporated within the greater nation in the future.

Under Tsang, Hong Kong's policies have optimised the availability of finance/IT skills and internationally experienced senior managers and improved the ease of hiring foreign labour to this end. Highly favourable re-location schemes have been implemented in order to encourage highly skilled and mobile workers to choose Hong Kong. Openness to migration is reiterated year-on-year in Hong Kong's budget, which argues that 'global competition is ultimately a competition for talent.' Furthermore, it firmly states that Hong Kong's future as Asia's primary world city requires the nurturing of local talents alongside a scheme to attract the best Chinese professionals. The city has been able to play the most strategic role of bringing China into the ambit of the global production and finance networks, not only because of its geographical proximity to the Pearl River Delta, but also because of the management capabilities of top international manufacturers and traders.

Partly because of this diversity, the geographical links of Hong Kong's producer services vary tremendously. The Hong Kong Stock Exchange has attracted the participation of an increasing number of international investors, while fund management and venture capital sectors are highly internationalised. In 2005, 66% of the assets under management were sourced from non-Hong-Kong investors, and in 2006, the vast majority of the venture funds were invested into Australia, Singapore, India, Korea and Japan. The banking sector is also highly externally oriented, with China being the major export market.¹⁷⁵

City Leadership agendas and vision

Hong Kong's leadership has sought to make strategic interventions in the six areas, in order to attract international populations and sectors:

- Political-legal environment and regulatory systems
- Business friendliness, a favourable tax regime and business infrastructure
- Connectivity infrastructure
- Availability of skilled personnel and access to suppliers of professional services
- Quality of life
- Access to international financial markets, especially links with emerging markets.

Making use of strategic advantages – China and the PRD

Hong Kong leaders' mind-set of open-ness towards international populations has been evident for well over three decades. Opening up to China in the late 1970s saw governmental and quasi-governmental, as well as private economic actors, propose a series of entrepreneurial strategies concerned to secure Hong Kong's most advantageous insertion into the new world economy. These entrepreneurial strategies continue to inform Hong Kong's attraction efforts for Chinese, Asian and Western target populations. Rather than pursuing a line of isolationism and rejectionism, not only government representatives, but also commercial interests in the city have successfully drawn on their linguistic affinities and kinship ties with China to build socio-economic connections in the region. Donald Tsang's reinforcement of already strong ties with mainland China have opened up enormous opportunities for Hong Kong that are expected to propel its economy to new highs. This process is an example of a city deepening its trade connections and simultaneously enhancing its capacity as a global-regional gateway city to co-ordinate investment, trade, and services.

¹⁷⁴ HK to London Magazine (2005), <http://www.hketolondon.gov.hk/intro/docs/Donald%20Tsang.pdf>

¹⁷⁵

Political-legal frameworks

Political stability and strong, responsive legal practices have been a founding principle for Hong Kong's attraction for international populations. The British administration helped entrench a sound legal system marked by a tradition of judicial independence and Common Law. Since the handover, the city government has maintained its reputation for generally providing a fair and competent framework for enforcing contracts and settling disputes. Furthermore, while often depicted as a laissez-faire society with regard to the city's poor, Hong Kong's government has actually played a very significant role in housing, education, and social welfare, which has impacted on social cohesion and employment inclusiveness. Over the past four decades, Hong Kong has been remarkably free from internal social and political unrest.

Maintaining a world-leading business and regulation environment

Hong Kong has a profound reputation for its positive tax and business environments, cultivated over several decades. Low taxation and non-interventionist government are responsible for Hong Kong being ranked as the freest economy in the world in the Index of Economic Freedom for 14 consecutive years.¹⁷⁶ There are no barriers to trade (no tariffs or quotas), no restrictions on investments, no foreign exchange controls and no nationality restrictions on corporate or sectoral ownership. The city government has been able to keep spending low and demand low taxes (profits tax – maximum 16.5% and salaries tax – maximum 15%) (consistently below 20%) in return.¹⁷⁷

The government has regularly ensured its core finance strengths remain intact by engaging in constant exchange with regulators and market participants. The Hong Kong government agreed in March 2009 to work with regulators and the financial industry to enhance the city's business-friendliness as an international financial centre.¹⁷⁸

Infrastructural and logistics upgrading

Efficient physical infrastructure is a distinctive hallmark of Hong Kong's open-ness to trade, people and culture. The city government continues to invest massively in its port facilities, airport systems and connectivity, and telecommunications, keeping up with the most advanced cities in terms of technology and R&D. By container units processed, Hong Kong has been the largest port in the world for the last five years, along with Singapore. Meanwhile, the 'Hong Kong International Airport Master Plan 2020' (2001) aims to develop the airport so as to 'strengthen Hong Kong's position as a regional aviation hub and gateway to the Mainland.' With excellent safety, reliability, customer service and affordability, Hong Kong's Mass Transit Railway is regarded as one of the world's leading railways, and demonstrates the city leaders' commitment to world-class urban infrastructure that allows for long-term capacity building.

Quality of life

Providing high quality living conditions for finance and high value-added workers has always been high on the agenda of Hong Kong's policymakers. A comparatively low cost of living, varied accommodation, and outstanding recreational facilities have made the city a strong proposition compared to Tokyo, New York and London, especially over the past two decades. In 1999, Tsang spearheaded Hong Kong's effort to bring Disneyland to the region, injecting over USD 400 million of public money for a 57% equity stake in the park. This was one of the first times the government took a majority holding in a major private project. Tsang saw the investment as a long-term cross-sectoral gain for Hong Kong:

'The return to us cannot be limited [to] the amount of money we derive from profit sharing in the company itself - but rather the whole economy gains. Our hotels will benefit. Our tourist

¹⁷⁶ The Heritage Foundation Index of Economic Freedom 2008
<http://www.heritage.org/research/features/index/> (Accessed July 2008)

¹⁷⁷ Y. C. Jao (1979), 'The Rise of Hong Kong as a Financial Center', *Asian Survey*, Vol.19 (7), pp. 674-694

¹⁷⁸ The Standard (2009). 'Tsang defends tax system amid haven fears'
http://www.thestandard.com.hk/breaking_news_detail.asp?id=13549&icid=1&d_str=20090403

industry will benefit. Our airline will benefit. And all the retail shops will benefit as the result of more tourists coming to Hong Kong.¹⁷⁹

Global Reach and International Exposure

Hong Kong has a very strong global outreach, and a particularly strong emphasis on connecting with the rest of Asia. The city has constituted a solid part of global production networks since the late 1950s when industrialisation in the region took off and has since gained increasing nodal importance. In the past the city has been marketed as a co-ordination centre for South China, and a base for the Asia-Pacific region. However in a speech in mid-2008 at the height of the global financial and economic crisis, Hong Kong Chief Executive Donald Tsang highlighted two new trends - Hong Kong's springboard status for Mainland companies taking on global markets, and secondly the city's location for transnational companies to perform global functions.¹⁸⁰ In Taylor et al.'s (2008) attempt to measure world city networks, Hong Kong is placed third, above Tokyo and Paris, on a measure of gross global connectivity.¹⁸¹

In the 2008-9 budget, Tsang also set out a vision to enhance Hong Kong's status as Asia's world city, increasing its co-operation with other cities in the region. Meanwhile HK 2030, the city's major strategic document, argues that:

'Hong Kong should not only be a major Chinese city but the most cosmopolitan city in Asia, enjoying a status comparable to that of New York in North America and London in Europe.'

The city's internationalisation depends to a significant extent on the bilingual capacity of its citizens, and may potentially be threatened if this capacity weakened over the long-term. A 2005 Wall Street Institute study found that Hong Kong lagged behind Singapore in terms of English proficiency and confidence, while the gap in English standards between mainland Chinese and Hong Kong citizens is closing. The Institute warned that the SAR needs to take action to improve city residents' English usage to maintain its competitive advantage in East Asia.¹⁸²

Population Dynamics and Demographic Diversity

Population diversity statistics in Hong Kong are complicated by the fact that foreign passport holding residents are classified as local once they obtain permanent residency. This masks diversity on the ground in the city.

In 2008, the population of the Hong Kong Special Administrative Region grew by 0.8% to 7.03 million.¹⁸³¹⁸⁴ In 2006, the city's ethnic make-up was predominantly Chinese (95%) followed by White (5.0%), Filipino (1.6%) and Indonesian (1.3%) amongst others.¹⁸⁵ As with all other cities, Hong Kong displays its diversity in a number of ways. For instance, the city has two official languages: In addition to the Chinese language, English may also be used as an official language by the executive authorities, legislature and judiciary of the Hong Kong Special Administrative Region. English is widely understood and spoken by more than a third of the population.¹⁸⁶ The city's religious composition is another aspect of its diversity. One source describes how "every major religion is practiced freely in the city" with 43% participating in religious activities regularly, and 9.6% of them being Christian.¹⁸⁷

Presence of Global Firms

¹⁷⁹ Asia Times Online (2005), 'Donald Tsang: Singapore's man in Hong Kong', <http://www.atimes.com/atimes/China/GD30Ad04.html>

¹⁸⁰ 'Hong Kong expands global role' Hong Kong Digest (June/July 2008) (<http://www.hketony.gov.hk/ny/e-newsletter/08june/HKglobal.htm>)

¹⁸¹ Peter J. Taylor and Rolee Aranya (2008), "A Global 'Urban Roller Coaster'? Connectivity Changes in the World City Network, 2000-2004', *Regional Studies*, Vol.42 (1),pp.1-16

¹⁸² The Standard (2005), 'Survey into English sows world city doubts', May 6th, <http://www.thestandard.com.hk/stdn/std/Metro/GE06Ak03.html>

¹⁸³ The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

¹⁸⁴ O'Rear (2010): Personal Communication, Hong Kong Chamber of Commerce

¹⁸⁵ The Government of the Hong Kong Special Administrative District (2010): Hong Kong Statistics

¹⁸⁶ The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

¹⁸⁷ The US Department of State (2009): Background Note: Hong Kong, <http://www.state.gov/r/pa/ei/bgn/2747.htm#people>

A considerable number of firms from the Americas, Europe and Asia have chosen Hong Kong as the base for their regional headquarters since the late 1980s. International firms are attracted to Hong Kong because of the city's entrepreneurial acumen, freedom of trade, strong legal system, preferential access to China's markets and international trade fairs.¹⁸⁸ In the 2008 ranking of cities by the number of Global 500 company headquarters, Hong Kong was 12th with four, comparable to cities such as Frankfurt, Dusseldorf, Rome, Moscow, Taipei and Brussels.¹⁸⁹ Despite Hong Kong's status as a British colony until 1997, British firms do not predominate among the regional headquarters and regional offices. The table below shows that the US has been the country of origin of approximately a quarter of regional headquarters since 1996, while Japan is the next highest represented country in terms of headquarters and offices. Furthermore, the number of regional headquarters has more than doubled since 1991. Firms from China have become more active since the mid 1990s, but Japan has registered the fastest growth, indicating an advance in regional integration.

Regional headquarters and regional offices in Hong Kong (1991-2006)

	1991		1996		2006	
	Number	Percentage	Number	Percentage	Number	Percentage
Regional Headquarters						
US	258	42.6	188	22.7	295	24.0
UK	75	12.4	90	10.9	114	9.3
Germany	30	5.0	40	4.8	76	6.2
Japan	44	7.7	122	14.7	212	17.3
China	-	-	85	10.3	112	9.1
Total	606	100	829	100	1,228	100
Regional Offices						
US	62	21.9	226	15.0	594	22.7
UK	25	8.8	123	8.2	223	8.5
Germany	12	4.2	85	5.7	136	5.2
Japan	61	21.6	338	22.5	519	19.8
China	-	-	128	8.5	156	6.0
Total	283	100	1,502	100	2,617	100

Source: Hong Kong Census and Statistics Department (2006), 'Report on 2006 annual survey of regional offices representing overseas companies in Hong Kong', HKCSD, Hong Kong.

In 2009, most regional headquarters in Hong Kong engaged in 'wholesale, retail and import/export trades' (50.1%) as well as 'professional and business services' (16.3%), while their parent companies tend to take on 'manufacturing' (35.8%) and 'wholesale, retail and import/export trades' (34.5%). It appears that Hong Kong has served transnational corporations as a trade and business centre both for the distribution of goods/services and for the organisation of manufacturing production in Asia and especially in China.¹⁹⁰

The geographical links of Hong Kong's producer services vary tremendously. The Hong Kong Stock Exchange has attracted the participation of an increasing number of international investors and in recent years has served as the most important platform for China's enterprises to raise capital. The fund management and venture capital sectors are highly international. In 2005, 66% of the assets under management were sourced from non-Hong-Kong investors and about 78% of the assets were invested abroad. In 2006, the vast majority of the venture funds were invested into Australia, Singapore, India, Korea and Japan. The banking sector is also highly externally oriented, with China being the major export market.¹⁹¹

Inward Investment

¹⁸⁸ 'Why international firms choose Hong Kong' HKTDC website accessed August 2008 (http://uk.hktdc.com/int_choosehk.asp)

¹⁸⁹ Yin Wah Chu (2008), 'Deconstructing the Global City: Unravelling the Linkages that Underlie Hong Kong's World City Status', *Urban Studies*, Vol.45, p.1632-3

¹⁹⁰ Yin Wah Chu (2008): 'Deconstructing the Global City: Unravelling the Linkages that Underlie Hong Kong's World City Status', *Urban Studies*, Vol.45, p.1630

¹⁹¹

According to the ‘World Investment Report 2007,’ presented at the United Nations Conference on Trade and Development, Hong Kong was the 2nd most important destination for Foreign Direct Investment (FDI) in 2006. The SAR attracted USD 43 billion during the 2006 calendar year, an increase of 28% on 2005. In 2007, FDI reached US\$54.4 billion, a further 27% increase. This figure amounts to more than 80% total FDI of mainland China (\$63.9 billion), and is almost 50% greater than the next biggest Asian recipient, Singapore (USD 36.9 billion). Hong Kong’s level of FDI in 2007 in fact ranked the city-state 6th in the world out of national economies, behind just the United States, United Kingdom, France, the Netherlands and China. It should be noted that this inward foreign investment data is largely portfolio investment flows, not actual direct investment. With the latter included ‘real investment between 2005 and 2007 would measure USD 125 million higher.

According to the ‘World Investment Report 2009,’ published by the United Nations Conference on Trade and Development (UNCTAD), Hong Kong continued to be Asia’s 2nd largest and was the world’s 7th largest Foreign Direct Investment (FDI) recipient.

Inward direct investment to Hong Kong in recent years¹⁹²

Year	FDI inflows	Growth rate
2005	HK\$261.5 billion (US\$33.5 billion*)	-1.3%
2006	HK\$350.0 billion (US\$44.9 billion*)	+33.8%
2007	HK\$423.9 billion (US\$54.3 billion*)	+21.1%
2008	HK\$464.3 billion (US\$59.5 billion*)	+9.5%
2009#	HK\$375.6 billion (US\$48.2 billion*)	-19.1%

*Exchange rate: US\$1 = HK\$7.8
 # Preliminary figures for 2009

‘We are committed to maintaining our enduring business advantages: low and simple tax, rule of law and free flow of information, capital and goods that together with our international business environment have proved very popular in attracting international businesses to our city’
Simon Galpin, Director-General of Investment Promotion, InvestHK, 2009

Hong Kong’s attractiveness for FDI is further highlighted by its lead spot in fDi Magazine’s Asian Cities of the Future rankings due to ‘bold infrastructure developments, sound investment promotion strategy and high quality workforce.’ However, the magazine warned that ‘Singapore is in hot pursuit and the gap is narrowing.’¹⁹³

In order to encourage foreign investment, there are a number of regulatory and financial incentives. Taxes are low; the profits tax rate is the same for foreign and local companies at 16.5%; there is no capital gains tax; no withholding tax on dividends and interest; no collection of social security benefits and no sales tax or VAT. In order to create an attractive regulatory environment, there are no barriers to trade (no tariffs or quotas), no restrictions on investments both inward and outward, no foreign exchange controls and no nationality restrictions on corporate or sectoral ownership. Other initiatives such as the Investment Promotion Ambassador (IPA) Scheme also exist. This aims to utilise the networking potential of prominent figures in Hong Kong’s business community to support investment promotion efforts overseas and in the Mainland of China, with special emphasis on Hong Kong’s role in the Greater Pearl River Delta (GPRD) economy.

The PRD region has benefited from its geographic proximity to and ancestral connection with Hong Kong, and in the early years of China’s market liberalisation, the PRD was the most popular location for FDI in the country. However the region has lost some of its edge relative to the Yangtze River Delta (YRD) region and the Greater Beijing-Tianjin region known as the Bohai Rim Region (BRR). The PRD’s share of FDI fell from 33.1% in 1990 to 16.8% in 2004 (see chart), while both YRD and BRR increased their shares. 2006 statistics suggest that the PRD (excluding Hong Kong in the chart) is now hovering at just under 20% of national FDI.

¹⁹² Source: Census & Statistics Dept., HKSARG
<http://www.censtatd.gov.hk/showtableexcel2.jsp?tableID=043> (See the table, under “Direct Investment” and then under “In Hong Kong”)
¹⁹³ ‘Asian cities of the future 2007/8’ fDi Magazine (2007)
 (http://www.fdimagazine.com/news/fullstory.php/aid/2228/Asian_Cities_of_the_Future_2007_08.html)

Success in Capturing Emerging Markets

It is hardly surprising that Hong Kong's closest links are with the rapidly developing economy of mainland China. Indeed, Hong Kong's trade with mainland China has more than quadrupled since independence from UK in 1998, and links are fundamental in developing Hong Kong further. The Closer Economic Partnership Arrangement (CEPA) was signed in 2003 by the Central People's Government and the Hong Kong Government and came into effect from 1 January 2004. The overall aim of the CEPA was to strengthen trade and investment cooperation between the two entities, by reducing tariffs and other trade barriers and eliminating 'all discriminatory measures.'

In 2008, Hong Kong's government-led airport authority launched the territory's first Islamic bond, reflecting the city's determination to attract investment from the Middle East and south-east Asia. Hong Kong hopes to challenge Malaysia, which is the main Asian centre for Islamic finance. Stanley Hui, the authority's chief executive, stated in June 2008 that 'Hong Kong's government hopes to develop the city as an Islamic centre.'¹⁹⁴

Links are also increasingly being nourished with new markets in Central and West Asia. The 2008-9 budget refers to 'untiring efforts' to develop emerging markets, citing recent delegations which have been sent to Russia, Vietnam, India and the Middle East.¹⁹⁵

Hong Kong does not appear to be a key site for international organisations. However, it is currently looking to expand its presence in the hosting of international events and conferences which may lead to further development in this field. Recently, the International Chamber of Commerce (ICC), one of the world's top international dispute resolution institutions, opened a branch of the Secretariat of its International Court of Arbitration in Hong Kong.

Openness to Migration

Hong Kong is highly open to migration flows, of both rich and poor, and indeed depends on them for economic vibrancy. The city has been able to play the most strategic role of bringing China into the ambit of the global production networks not only because of its geographical proximity to the Pearl River Delta but also because of the management capabilities of top international manufacturers and traders. According to the Chief Executive of Hong Kong in the Policy Address 2007-8, 'Hong Kong has always been a city of immigrants.' At present 96% of the Hong Kong population are Chinese nationals. The remaining 4% form a highly visible group despite their small numbers, with the largest three immigrant groups in 2006 coming from the Philippines (132,770), Indonesia (95,460) and the US (31,300). There is also a sizeable South Asian population in the city; mostly Indians, Pakistanis and Nepalis.

A majority of immigrants arriving in Hong Kong from China and South East Asia are members of the working poor, perceived to be near the bottom of the occupational and social hierarchy. These groups are often barred from public housing for the first seven years of their arrival and receive little in the way of social security benefits. New immigrants tend to concentrate in the cheap private rental districts in older inner-city areas, reinforcing spatial segregation.

In order to encourage highly skilled and mobile workers to choose Hong Kong, the Admission Scheme for Mainland Talents and Professionals has encouraged high calibre immigrants from Mainland China to enter Hong Kong. More recently, the Quality Migrant Admission Scheme allows talented people who meet certain criteria to settle in Hong Kong without having to secure an offer of local employment beforehand. In the Chief Executive's Policy Address 2007-8, it was stated that:

'[Last year] 28,000 people from different corners of the globe came to work in Hong Kong and settled here. Among them, about 5,500 came from the Mainland. Global competition means that we have to compete for markets as well as talent. Hong Kong's future

¹⁹⁴ Tom Mitchell (2008), 'Hong Kong looks to Islamic bonds', June 8th, <http://www.ft.com/cms/s/0/022a0494-338d-11dd-ba8a-0000779fd2ac.html>

¹⁹⁵ <http://www.budget.gov.hk/2008/eng/budget06.html>

development requires more talent from the Mainland and overseas. I will modify the Quality Migrant Admission Scheme by relaxing the restrictions on age limit and other prerequisites. We will also actively promote the Scheme in order to attract more Mainland and overseas talent to come and contribute to the development of Hong Kong.'

This openness to migration – through necessity if not through choice – is reiterated in Hong Kong's budget, which argues that 'global competition is ultimately a competition for talent.' Furthermore, it firmly states that Hong Kong's future as Asia's primary world city requires a nurturing of local talents alongside a scheme to attract the best Chinese professionals.

Case Study Initiative 1: Bi-literalism and tri-lingualism in Hong Kong

Overview

Since the transfer of Hong Kong's sovereignty from the United Kingdom to China in 1997, the city has undergone a series of rapid socio-economic and political changes. One of the most profound transformations relates to the teaching and application of language in its written and spoken forms. Putonghua (Mandarin), the national language of China, is becoming more important given the recent strengthening of Hong Kong's economic linkages with the rest of China. Cantonese, a local dialect spoken in Hong Kong, is the mother tongue of around 90% of the population.¹⁹⁶ It is against this context that the Hong Kong government has been pursuing a bi-literate and tri-lingual policy with English a critical component. Civil service employment and the education system represent the two frontline areas of linguistic policy debate and delivery.

History and background

According to Leung, the language issue in the Special Administrative Region is not a new one. Hong Kong has for decades experienced "tug-of-war over language issues between English as an instrument for social mobility and economic advancement and Chinese as a sign of national identity and cultural affinity."¹⁹⁷ As the Former Education Department identifies:

- "The Hong Kong Community is essentially populated by Chinese. People speak, read and write in Chinese in their daily life;
- Hong Kong is an international business, financial and trading centre. To maintain a high standard of English is crucial to economic competitiveness."¹⁹⁸

Given recent economic and socio-political changes in Hong Kong, the teaching and application of language has, once more, become the subject of policy debate and modification.

Though Chinese language was 'granted' official status in 1974, English has continued to enjoy "the major share of the linguistic market" in Hong Kong.¹⁹⁹ None the less, on the signing of the 1984 accord between the United Kingdom and China, the use of Chinese grew rapidly, particularly in the Civil Service. And with the economic liberalisation of China and balance of control over Hong Kong shifting from the United Kingdom to China, the teaching and application of Chinese strengthened. Still, as the international language of communication, business and academic pursuit fluency in English has remained a highly regarded and sought after skill.

By the last census Report in 2006, of a total speaking population (aged 5 and above) of 6.6 million in Hong Kong, 90.8% of people claim to use Cantonese with the two most popular second languages being English and Putonghua spoken by 41.9% and 39.2% of people respectively.²⁰⁰

¹⁹⁶ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

¹⁹⁷ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

¹⁹⁸ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

¹⁹⁹ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰⁰ Source: 2006 Population By-census Office, Census & Statistics Dept., HKSARG

http://www.bycensus2006.gov.hk/FileManager/EN/Content_981/a106e.xls

http://www.bycensus2006.gov.hk/FileManager/EN/Content_981/a114e.xls

In response to the language issue, one year earlier, in 2001, the Standing Committee on Language and Education research (SCOLAR) began a review of language policy in Hong Kong.

SCOLAR - Action Plan to Raise Language Standards in Hong Kong (2003)

In 2003, SCOLAR published the “most important document of language strategy laid down by the post-colonial government.”²⁰¹ Known as Action Plan to Raise Language Standards in Hong Kong, the government confirmed its commitment to its delivery. It looks to enhance the approach to the development of a biliterate and trilingual environment in Hong Kong.

The Plan focussed on four key themes:

- *Language education in schools:* Basic Competency Assessment for primary and junior high students. University students to sit international language tests. Framework for language competencies to spell out expected levels of linguistic aptitude in school leavers.²⁰²
- *Professional development of language teachers:* Framework for the professional development of teachers. Language teacher to have a first degree in the relevant language subject as well as education training.
- *Language training for working adults:* Funding of language learning for adults through the Workplace English Training Fund and Continuing Education Fund for instance. English competency testing and certification.²⁰³
- *Community-wide promotion:* All written materials in public to be provided in Chinese and English. Ensure all frontline staff are trilingual. Presenters and performers to be provided with pronunciation training in Cantonese, Putonghua and English. Language support to be provided to new arrivals from mainland China to facilitate their integration into the local community.²⁰⁴

Leung states that the Plan is a “very ambitious programme to boost Hong Kong’s language standards.”²⁰⁵ It is specific, targeted and broad ranging. He suggests that due to Hong Kong’s lack of natural resources and thus reliance on external economic participation human capital is particularly important. He sees language as a key commodity for the knowledge workers of Hong Kong. “Without the requisite skills to communicate with the huge neighbouring economic entity of China and the rest of the world, Hong Kong will be marginalised, even if the population is willing to participate in the global economy,” he concludes.²⁰⁶ He goes on to predict that at the current levels of support (Cantonese receiving none) Putonghua may become the main means of Chinese communication with the use of Cantonese declining until local residents take the decision that there is little economic value in their own dialect.²⁰⁷

Bi-literalism and tri-lingualism in today’s Hong Kong: the education system and civil service

Since the publication of the Action Plan to Raise Language Standards in Hong Kong in 2003, progress has been made. The sections below focus on evolution in two sectors in particular: the education system and the civil service.

Bi-literalism and tri-lingualism in the education system

The Action Plan to Raise Language Standards in Hong Kong was released in a policy context which was less than favourable. One of the first major policies passed by Tung Chee-hwa, the first Chief Executive of the Hong Kong Special Administrative Region, in 1998, was to order most secondary schools to use Chinese—the mother-tongue of most students - rather than English as the medium of instruction. Indeed, as a result of this policy, only 114 schools, about 30% of the total, were allowed to teach in English and this was only because their

²⁰¹ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰² Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰³ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰⁴ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰⁵ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰⁶ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

²⁰⁷ Leung, Y, (2005): Biliterate and Trilingual: Actions in response to the economic restructuring of Hong Kong

teachers had the ability to do so and their students had the minimal skills required to for learning other subjects in English.

With the release of the Plan and a recent announcement by new Mayor Donald Tsang it is clear that the City's education system is perhaps where we most obviously see a demonstration of Hong Kong's desire to become a bi-literal and tri-lingual city. In January 2009, the Tsang administration announced that schools would once again be allowed a higher degree of discretion when choosing their teaching language. This announcement has stimulated a re-emphasis on the importance of English and bilingualism within Hong Kong's education system.

In addition, Hong Kong is also very consciously using linguistic diversity as a means to encourage integration, not only with Chinese and foreign expatriates, but also as a common denominator between those that speak Cantonese and those that speak Mandarin. In this regard, in October 2009, the very first "Bilingual Hong Kong Schools Guide" was published. It targets newly-arrived parents, Hong Kong residents and families who are thinking about the potential of moving to Hong Kong. This unique guide contains detailed information on school life in Hong Kong, education advice for children with special needs, details on how to plan academic finances, how to evaluate schools, how to apply to different schools, as well as a descriptive schools directory, amongst other things. The guide is compiled by professional educators from the International Tuition Services Limited and provides an excellent insight into Hong Kong's education system, which would otherwise remain hidden.²⁰⁸ Beyond the material it contains, the guide is symbolic of Hong Kong's commitment to integration through the use of bilingual material in a proactive and engaging and targeted way.

Renaissance College – a new bi-lingual and tri-literate school in Hong Kong²⁰⁹

Renaissance College - a new school which is the result of collaboration between ESF and the HKSAR Government. Renaissance College opened for students in September 2006 and ultimately provide an all-through education for 2,100 students aged 5 to 18 years.

The College is a co-educational 'through train' school offering choices of subjects that lead to international accreditation. All three programmes of the International Baccalaureate Organisation (IBO) will be followed, culminating in the International Baccalaureate Diploma. The school will provide a bi-lingual and tri-literate program, with emphasis on both the language and cultural aspects. As part of the formal curriculum, students will take immersion programmes in China during long holidays to strengthen their language proficiency and enhance their understanding of different cultures.

Bi-literalism and tri-lingualism in the civil service

On the 5th of July 2006, the Legislative Council of Hong Kong turned to the issue of bi-literalism and tri-lingualism in the civil service. It was suggested that "some ethnic minorities have complained...that certain notices put up by government offices are in Chinese only, which they cannot understand. They also encounter difficulties when seeking emergency services from frontline staff, such as police officers or nurses, who indicate that they do not speak English."²¹⁰

In the light of the Action Plan to Raise Language Standards in Hong Kong (2003) a number of questions were raised about the learning and application of language in the Hong Kong Civil Service. In response the Secretary for the Civil Service, Miss Denise Yue, confirmed that:

- Because Chinese and English are the official languages of Hong Kong, the policy of the civil service is to maintain a "fully bi-literate (Chinese and English) and trilingual (Cantonese, Putonghua and English) civil service to ensure effective communication with all sectors of the community."²¹¹

²⁰⁸ <http://www.tuition.com.hk/blog/?p=33>

²⁰⁹ English Schools (2010): Renaissance College, Hong Kong, <http://www.english-schools.org/hong-kong/renaissance-school-hong-kong.htm>

²¹⁰ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹¹ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

- It is the government's policy to issue all written materials for public use (forms, websites, pamphlets, booklets, signs, notices and posters for example) should be issued in both Chinese and English. It is also policy to communicate any verbal announcements bilingually.²¹²
- Only under exceptional circumstances (operational or financial) will materials be published in a single language format. In these cases, efforts are made to point readers to a document or useful material which is bilingual.²¹³
- The Civil Service Bureau constantly reminds government offices of their requirement to publish bilingually.²¹⁴
- Since January 2003, strict language proficiency requirements were introduced. Applicants for civil service posts at degree or professional level are required to have passed the Use of English and Use of Chinese papers in the Civil Service Common Recruitment Examination. Applicants for post including Fireman, Police Constable, and Ambulanceman are also required to have language skill accreditation.²¹⁵
- The government does provide its staff with relevant language training to deliver frontline services more effectively. For instance, the Hong Kong Police Force, Social Welfare Department, Department of Health and Housing Department organise job-specific English language training when appropriate. At the same time, the Civil Service Training and Development Institute (CSTDI) arranges general language courses. CSTDI trained some 27,000 staff through these courses between 2001 and 2006. Over 40% of this figure were frontline staff. The Civil Service Bureau suggests that "over 400 000 visitors have accessed...online English language reference materials, and some 30 000 staff have taken part in the online English language courses."²¹⁶
- Departments which engage regularly with ethnic minorities have employed additional measures. For instance, the Home Affairs Department makes senior staff members available to assist frontline staff to serve ethnic minorities.²¹⁷
- Should anyone, including ethnic minorities, have problems accessing a government service they can call the government's main switch board or the '1823' Citizen's Easy Link hotline. "Calls in English will be answered in English" according to the Civil Service Bureau.²¹⁸

Conclusion

From an uncertain and complicated approach, more recent years have witnessed the consolidation of Hong Kong's policy of bi-literalism and tri-lingualism. It is now clearly recognised that the teaching and application of language, and English in particular, is critical to the city's economic development because of its reliance on communication and business with the rest of the world. At the same time, Hong Kong's strengthening economic and political ties with mainland China have created a demand for the use of Mandarin, whilst the local dialect is preserved predominantly because of its daily use by the majority of Hong Kong's residents as the local dialect.

Beyond the economic advantages and political value created by this approach, a diverse language strategy also has immediate social advantages. It powerfully facilitates the genuine integration of migrants from mainland China and the rest of the world. This not only fosters a sense of social coherence it creates a higher quality of life for migrants on arrival. This fact makes the city a magnet for international talent, which further supports Hong Kong's economy, particularly its status as an international finance centre.

Moreover, becoming the first world city which is genuinely bi-lingual in Chinese and English will be a major advantage for Hong Kong's role in the complex dynamics of the major cities of Asia.

Case Initiative 2: The Internationalisation of Hong Kong

Overview

²¹² Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹³ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹⁴ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹⁵ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹⁶ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹⁷ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

²¹⁸ Civil Service Bureau (2006): Fully biliterate and trilingual civil service maintained, <http://www.csb.gov.hk/print/english/info/326.html>

A drive towards global competitiveness has been a clear focus of Hong Kong's leaders for over a decade now. Through a deliberate strategy of internationalisation the city has the ambition of attracting international talent, investment and visitors in order to compete with the likes of London and New York. As well as explaining in better detail how each of these objectives are met, the following discussion will illustrate the concerted branding and positioning effort that underpins the wider internationalisation process.

Positioning Hong Kong as Asia's World City

There have been a number of management strategies of Hong Kong's public image in recent years. This has been prompted by economic instability, increased competition from Shanghai and Singapore, and uncertainty over whether to position itself as a gateway to the East for global markets, or a shopping hub for Chinese and Asian tourists. The city government set up the Brand Hong Kong Management Unit (BHKMU) in 2001. New York agency Burson-Marsteller and London-based Landor have both been involved in designing new campaigns and logos in recent years. Since 2004, however, one particular slogan has gained ascent – 'Asia's World City'.

Hong Kong's positioning as Asia's world city began as an idea in 1999, proposed by then-Chief Executive, Mr Tung Chee Hwa, and attempts to put the city on a platform with London and New York.

Subsequently, the Chief Executive's Commission on Strategic Development recommended in its February 2000 report that:

'Hong Kong needs to promote its unique position as one of the most cosmopolitan and vibrant cities in Asia to a wide range of international audiences. A successful external promotion programme can have a significant positive impact on Hong Kong's ability to achieve a number of key economic, social and cultural objectives.'²¹⁹

The city's rebranding focus has involved the private sector at every stage. The Brand Hong Kong programme was launched at the FORTUNE Global Forum in front of global business leaders. Positioning has featured exhaustive qualitative and quantitative research amongst business and government leaders both domestically and further afield.

The city government argued that:

'Hong Kong is where opportunity, creativity and entrepreneurship converge. It is a dynamic physical and cultural hub with world-class infrastructure, Asia's most strategic location, and a global network of people with an impressive record of success that can support achievement of your goals and objectives.'²²⁰

The Asia's World City is an umbrella brand intended to co-exist with other logos that the Hong Kong government may use to represent the city. Importantly, the brand has an English and Chinese version, which is employed strategically to attract these two large target audiences.²²¹

Brand management and co-ordination

Management of Brand Hong Kong is co-ordinated by the Information Services Department (ISD), in accordance with a number of strategic objectives:

- Create initiatives that communicate Hong Kong's competitive positioning
- Associate the Brand with activities that represent the Brand values
- Build an understanding of Hong Kong's position as Asia's world city
- Strengthen the Brand culture within the private and public sectors.

²¹⁹ Hong Kong Information Services Department (2010), <http://www.info.gov.hk/info/sar5/easia.htm>

²²⁰ Hong Kong Information Services Department (2010), <http://www.info.gov.hk/info/sar5/easia.htm>

²²¹ BrandHK (2009), <http://www.brandhk.gov.hk/brandhk/guidelines2003/eng/guidelines.pdf>

The ISD is split into four primary divisions – local public relations, public relations outside Hong Kong, publicity and promotions, and administration. The majority of the management of the brand takes place in the international public relations department, circled in red above.

The Brand Management Unit is charged with carrying out the Brand Hong Kong programme which promotes Hong Kong as Asia's world city through different channels. The unit ensures the Brand is used effectively to promote Hong Kong globally. Besides organising activities to highlight the brand, the unit also helps to publicise major events organised by government departments, NGOs and business to strengthen Hong Kong's positioning.

Brand Hong Kong – Asia's World City - has been extensively used internationally by Hong Kong's 10 Economic and Trade Offices (HKETO), providing a valuable platform to promote Hong Kong to key business and government audiences in cities, such as Singapore and New York. The HKETO is thus a key marketer of the brand, and has adopted this integrated approach towards the promotion of the city.

The Visits and International Conferences sub-division runs the ISD's Sponsored Visitors Programme for opinion formers, political leaders and think-tank members to visit Hong Kong at the invitation of the government. The sub-division also helps to draw up programmes for non-sponsored visitors coming to Hong Kong on private trips. In addition, it runs an Overseas Speakers Programme to enable foreign investors to better understand Hong Kong's development and competitive advantages.²²²

Attracting International Investment

Hong Kong's leadership, both before and after the handover of power in 1997, has been quick to look to multinational firms to fill domestic needs. Its package of financial facilities and infrastructure has been cited by most multinational firms as a critical factor for choosing Hong Kong as a regional headquarters over the past two decades.²²³ A considerable number of firms from the Americas, Europe and Asia have chosen Hong Kong as the base for their regional headquarters since the late 1980s – the number doubling since 1991.²²⁴ FDI Magazine rated Hong Kong the leading 'Asian City of the Future' in 2007.²²⁵

The city continues to actively facilitate Mainland Chinese enterprises and investors participation in Hong Kong's stock market through the Qualified Domestic Institutional Investors Scheme. The Investment Promotion Ambassador (IPA) Scheme also aims to utilise the networking potential of prominent figures in Hong Kong's business community to support investment promotion efforts overseas and in the Mainland of China, with special emphasis on Hong Kong's role in the Greater Pearl River Delta (GPRD) economy.²²⁶

Fast-emerging plans include the enhancement of Hong Kong's financial system to handle RMB-denominated transactions. This is enabling the city of Hong Kong to compete with Shanghai in the Yuan-based derivatives trading market. Notably, Hong Kong's government ministers have seen Chinese cities' emergence as an opportunity for transformation via co-operation, rather than a threat. The city government co-organised a Beijing-Hong Kong Financial Services Co-operation Forum with the Beijing Municipality in 2007. In a 2007 speech by Joseph Yam, Chief Executive of the Hong Kong Monetary Authority, competitive relationships with Shanghai and Beijing were not seen to adversely affect the city's future;

'we see a complementary, mutually assisting and interactive relationship, where relative strengths are exploited, relative weaknesses are addressed and synergies maximised, and not a relationship characterised by cut-throat competition as some may have portrayed in.'²²⁷

²²² HK ISD (2009), <http://www.gov.hk/en/about/abouthk/factsheets/docs/media.pdf>

²²³ Ng Beoy Kui (1998), 'Hong Kong and Singapore as International Financial Centres: A Comparative Functional Perspective', http://www3.ntu.edu.sg/nbs/sabre/working_papers/06-98.pdf

²²⁴ 'Why international firms choose Hong Kong' HKTDC website accessed August 2008 (http://uk.hktdc.com/int_choosehk.asp)

²²⁵ FDI Magazine (2007), 'Top Ten Asian Cities of the Future',

http://www.fdimagazine.com/news/fullstory.php/aid/2228/Asian_Cities_of_the_Future_2007_08.html

²²⁶ [Source: Inland Revenue Dept., HKSARG

<http://www.gov.hk/en/residents/taxes/taxfiling/taxrates/profitsrates.htm> (See the top table, for 2008/2009 onwards)]

²²⁷ Joseph Yam (2007), 'Competition and cooperation among global and regional financial centres', <http://www.bis.org/review/r080514c.pdf>

Furthermore, in 2007 Donald Tsang endorsed proposals to begin the trading of Hong Kong and Shanghai-listed shares on each other's exchanges. The move towards cross-border trading mechanisms may enable the territory's capital market to close the gap with New York and London stock exchanges.²²⁸

Hong Kong's urban management vision, set out in '**Hong Kong 2030: Planning Vision and Strategy**', is distinctive for having a clear vision for the spatial development of the financial districts and its supporting sectors. Dividing the city up into five sub-regions, the Metro Area will continue to accommodate key economic and financial activities while the North West New Territories will function as a gateway to the PRD and the North East New Territories have been identified for housing development and a technology hub.

Donald Tsang announced the launch of the **Hong Kong Mercantile Exchange (HKMEx)** in 2009. HKMEx aims to capitalise on the worldwide demand for commodities and the Chinese mainland's increasing role in setting prices for petroleum and other raw materials. Hong Kong Financial Secretary John Tsang welcomed the setting up of the new exchange. 'Hong Kong's continued success as an international financial centre depends very much on our ability to diversify and expand the range of financial products available here,' he said in 2008.²²⁹

Over the past 3 years, Hong Kong's leadership team has regularly stressed the development of an **Islamic financial platform** through the creation of an Islamic bond market. In 2008, Hong Kong's government-led airport authority launched the territory's first Islamic bond, reflecting the city's determination to attract investment from the Middle East and South-East Asia. Hong Kong hopes to challenge Kuala Lumpur, which is the main Asian centre for Islamic finance. Stanley Hui, the authority's Chief Executive, stated in June 2008 that 'Hong Kong's government hopes to develop the city as an Islamic centre.'²³⁰ Links are also increasingly being nourished with new markets in Central and West Asia. The 2008-9 budget refers to 'untiring efforts' to develop emerging markets, citing recent delegations which have been sent to Russia, Vietnam, India and the Middle East.²³¹

Attracting International Visitors

Figures indicate an upward curve in tourist arrivals in recent years - total arrivals for 2009 exceeded 29.5 million, while tourist spending has comfortably exceeded HK130 billion annually. Hong Kong has also been voted a top destination. It won the Best MICE (Meeting, Incentive, Convention, Exhibition) City Award in the 2008 Industry Awards organised by CEI Asia Pacific Magazine. This reputation as a host of international events is clearly something Hong Kong is actively pursuing. In the Chief Executives Policy Address 2007-8, Donald Tsang stated,

'To meet intensified regional competition, we will enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. The Government will work more closely with the convention and exhibition, tourism and hotel industries to improve our competitive edge by seeking to host more mega international events.'²³²

Tourist attraction in Hong Kong is overseen by the Hong Kong Tourism Board (HKTb), founded in 2001. The 15-branch Board is comparatively independent, and is devoted to promoting Hong Kong as a destination worldwide. It makes recommendations to the city government on the range and quality of visitor facilities. It functions separately to the city's Tourism Commission department, which formulates city policies and strategies for tourism development. Instead, the HKTb works closely with the Tourism Commission and other partners to position Hong Kong as one of the world's leading tourism destinations. It:

²²⁸ The Standard (2009), 'Mid-year handouts possible, says Tsang',

http://www.thestandard.com.hk/news_detail.asp?pp_cat=30&art_id=80500&sid=23340476&con_type=1&d_str=20090403&sear_year=2009

²²⁹ 'Global demand fuels new trading market' HKTDC (August 2008)

(http://finance.hktdc.com/content.aspx?data=banking_content_en&contentid=1047216&w_sid=194&w_pid=704&w_nid=10467&w_cid=1047216&w_idt=1900-01-01&w_oid=191&w_jid=)

²³⁰ Tom Mitchell (2008), 'Hong Kong looks to Islamic bonds', June 8th, <http://www.ft.com/cms/s/0/022a0494-338d-11dd-ba8a-0000779fd2ac.html>

²³¹ <http://www.budget.gov.hk/2008/eng/budget06.html>

²³² HKETO (2007), 'Chief Executive Policy Address, 2007-8', http://www.hongkong-eu.org/pg.php?id_menu=279

- Promotes Hong Kong as a vibrant, international city, the Events and Culinary Capital of Asia, and a leading global business, transportation and communications hub.
- Utilises four product "pillars" – shopping, dining, culture and heritage, and city, harbour and green – as the basis for its marketing and promotional activities.²³³

Attracting International Knowledge Workers

Hong Kong's open-ness to migration is reiterated every year in Hong Kong's budget report. Over the last few years, Donald Tsang has firmly stated that Hong Kong's future as Asia's primary world city requires a nurturing of local talents, alongside a scheme to attract the best Chinese professionals.

'Global competition means that we have to compete for markets as well as talent. Hong Kong's future development requires more talent from the Mainland and overseas. I will modify the Quality Migrant Admission Scheme by relaxing the restrictions on age limit and other prerequisites. We will also actively promote the Scheme in order to attract more Mainland and overseas talent to come and contribute to the development of Hong Kong.'

- Donald Tsang, 2007-8 Policy Address

The city plans to expand its pool of international school places by 5,000 between 2008 and 2013 as a lever to retaining senior knowledge workers with children. Meanwhile the HK 2030 vision has clear mechanisms to develop the South West and South East New Territories in order to host world-class recreational facilities, improving natural landscapes and entertainment to meet the highest demands of knowledge workers.

Hong Kong seeks to remain strong in cultural niches, and prides itself on its openness to new ideas, creativity, and fashions. The city is extremely active in promoting the arts, cultural sectors and creative industries. In 1995, the government set up the Hong Kong Arts Development Council (ADC) to plan, promote and support the broad development of the arts. As the bridge linking the Government, arts sector and the public, the ADC aims to develop Hong Kong into an arts and cultural hub by facilitating international exchange and partnerships. The development of the West Kowloon Cultural District (WKCD) is an ongoing effort – costing up to HK\$21.6 billion – and aimed at supporting the development of a creative economy with top-class cultural infrastructure. When completed, the integrated arts and cultural district is set to offer a mix of international arts and cultural facilities, talented artists, quality programmes and distinctive architecture to significantly enhance the cultural milieu for both local and international residents.

Lessons

Hong Kong's experience of open-ness illustrates how the pre-eminence of certain business cities over others is related to enduring structural factors, such as language, legal system, infrastructure, and proximity to markets. Hong Kong has shown the significance of supply-side factors - notably the availability of skilled labour, strong regulatory environment and the quality and depths of business services - in achieving and maintaining a top position in the global urban hierarchy.²³⁴ In an open economy, open cities are not at the mercy of global forces, but can make shrewd long-term interventions that create a durable image of vibrancy and dynamism.

²³³ HKTb (2010), <http://www.discoverhongkong.com/eng/about-hktb/about-us.html>

²³⁴ Leung and Unterberdoester (2008), 'IMF report on Hong Kong', <http://www.imf.org/external/pubs/ft/wp/2008/wp0857.pdf>

3. Conclusions and Recommendations

This paper has argued that the agenda around diversity, integration and inclusion is more than a moral obligation; it is a business and economic imperative. Through the examination of the approach of five distinct cities we see that distinctiveness and difference are assets to be leveraged rather than cost to be mitigated.

As will be discussed below, the breadth and depth of the approaches taken clearly illustrate the significance with which the management of diversity is treated and the impact that a successful approach can have. At least, such initiatives and approaches offer targeted support to some of the most disadvantaged in the urban community, empowering them towards happier, healthier and more productive roles within city life. At best, diversity is identified and communicated within and to the outside world as a real and tangible asset to the city. With a smart and innovative approach which joins up and builds on what is already in place, cultural diversity can be leveraged to such an extent that openness to international population and migrants becomes a cornerstone of a city's competitiveness. Given the increasingly mobile and competitive world in which cities operate, cities which most effectively manage their diversity could be best placed to leverage the advantages of the future.

3.1 What do the case studies show?

The following summaries illustrate the variety of interventions that can be made to manage diversity and promote inclusion in cities.

Thurgood Marshall Academy and Abyssinian Development Corporation, New York City. It has taken 30 years acting in a geographically focussed area and with a highly professional approach to achieve the depth of impact of the Abyssinian Development Corporation. This case study shows how by adopting an approach focussed on street level professionalism within an area of obvious need significant change can be achieved. It also shows through the example of the Thurgood Marshall Academy and the Head Start programme, how educational and youth-based interventions are a particularly effective means to combat long term poverty and exclusion.

Porta22, Barcelona. Porta22 illustrates that the application of technology to improve labour market accessibility and overcome boundaries to labour market can improve the penetration of migrants into employment. The scheme offers the skills and confidence to those most vulnerable in order that they may empower themselves to overcome accidental forms of exclusion in the city. Porta22 is also evidence that an initiative designed for more general application to the city's residents can provide very effective support to migrant groups.

Mumbai Mobile Crèches, Mumbai. Mumbai Mobile Crèches is more than the provider of basic services to the most vulnerable of migrants – children – it is an inclusion mechanism for participation in the labour market, is mobile and is a mechanism to give identity to those without it. It is also an example of a dual approach which works with employers and employees. Mumbai Mobile Crèches works with both developers and construction workers to create a win-win situation. By funding safe, supportive and educational day centres for the children of construction workers and providing land on site for them, developers are securing for themselves a labour supply which is cheap, more reliable and harder working.

Sydney's Cultural Strategy, Sydney. Rather than deliver any services directly, this document represents an attempt to make diversity visible and celebrated. It looks to achieve the joining up of existing activities in a coherent way to manage diversity at a breadth and depth which is both individual in its focus and at a geographic scale to make tangible change.

The Los Angeles Minority Business Enterprise Center, Los Angeles. This initiative shows the potential power of the harnessing of an entrepreneurial spirit that is untamed and un-coached. The programme offers migrants the skills and opportunity to develop and hone entrepreneurial skills and to apply them in a practical and profitable way. It is evidence of the utility of communicating the positive story of diversity.

Diversity Works for London, London. The Diversity Works for London initiative provides evidence that diversity if applied intelligently can be a significant competitive advantage for firms. It shows that if businesses take a

360 degree approach to their own activities from a new perspective that focuses on diversity unexpected benefits such as penetrating new markets, enhancing creativity and offering better services can be leveraged

Bi-literalism and tri-lingualism in and the international positioning of Hong Kong, Hong Kong. The city of Hong Kong is a unique interface between two worlds: the East and the West. This case study shows that both in formal and informal ways Hong Kong is looking to use bilingualism to consolidate the natural and inherited advantage of the city. It provides compelling evidence that a positive approach to diversity can create a new proposition which distinguishes the city as a different, fresh and compelling.

3.2 Is diversity seen as strength in these cities?

A 2009 study by the Urban Land Institute 'City Success: what do the global indices tell us?' looked at the ingredients of city success over the ten year timescale and the 100 year timescale. Diversity and international openness, it concluded, are cornerstones of longer-term success. This conclusion is reinforced by the number and breadth of the initiatives identified in this report which manage, support and promote diversity. But how and why is diversity seen as a strength?

If we turn once more to the conclusions of the 2009 Urban Land Institute paper it is possible to see how many of the ingredients of city success, both short and longer term, are supported by population diversity. For instance, a diverse population can:

- Enhance quality of life and place by adding variety and difference to the existing cultural landscape of a city;
- Bring new skills, ideas and approaches to a city's working environment;
- Reinforce a city's reputation for tolerance, flexibility, adaptability and openness which could enhance its international identity;
- Contribute to the creative, artistic and entrepreneurial spirit of a city;
- Connect the city to international markets through global social networks.

Even through these few examples it becomes clear that there are a number of strengths associated with population diversity and equality which can be leveraged to support urban success.

In the boxes which follow we identify the ingredients of city success and underline the business advantages of diversity using evidence from the Greater London Authority.

Ingredients of City Success

Shorter-term (one or two business cycles):

- Connectivity and accessibility.
- Economic breadth.
- Quality of life, place, and amenity.
- Skills of labour force.
- Innovation and creativity.
- Business environment, entrepreneurship and city cost-base.
- Image and identity.
- Leadership and implementation of strategy.

Longer-term (five to ten business cycles):

- Diversity and Openness to international populations.
- Power (and adaptability) of the city region identity and brand.
- Location and access to growing markets.
- Role in fostering/brokering international trade.
- Power and influence of language and regulatory/legal/financial systems.
- Depth of artistic, architectural and cultural endowment.

- City-regional leadership and effective investment advocacy.
- Adaptation to climate change.
- Success in adjusting to shocks, and luck/skill in being on the right side of conflicts.
- Investment in the city from all sources (including higher tiers of government).

The Business Advantage of Diversity

- Labour pool advantages: Create an inclusive working environment, motivating existing employees and improving productivity. Londoners speak over 300 languages and belong to at least 14 different faiths.²³⁵
- Creation of new markets: London's BAME communities have enormous spending power, with an after-tax income of around £16 billion. At least 5% of London residents are gay or lesbian – the economic value of the 'Pink Economy' in the UK is estimated to be around £95 billion.²³⁶
- Connectivity advantages: The city's multi-lingual capacity is widely considered a major facilitator of Mumbai's global interconnections.
- Creativity and entrepreneurship: 'Well-led diverse teams can outperform homogenous teams by as much as 15%.²³⁷ New York's capacity to adapt to downturns is vitally aided by its hosting of a diverse and innovative economy.
- Talent attraction: Approximately 45% of highly skilled workers in London come from other UK regions, and 30% from international destinations.²³⁸ New York is home to arguably the highest density of intellectual

²³⁵ The London development Agency (2010): The business case for London, <http://www.lda.gov.uk/server.php?show=ConWebDoc.1484>

²³⁶ Ibid.

²³⁷ London Development Agency (2010): The Business Case for Diversity, www.lda.gov.uk/server.php?show=ConWebDoc.1484

²³⁸²³⁸ Financial Times (2009), 'London cooling', <http://www.ft.com/cms/s/0/5ca63494-f8a7-11dd-aae8-000077b07658.html>

capital in the world, ahead of both Paris and London. This has historically been achieved by the city's supreme openness and attraction to international populations.

- Attracting international firms: London continues to be identified by international firms as the European location with the deepest and most specialised international skills and business knowledge and as a primary source of innovation and key contacts. London's investment credentials remain strong, even in volatile economic conditions, because of the wide and diverse talent pool which offers a rich and varied source of quality support to companies.

3.3 What are the challenges associated with diverse populations?

As with many assets which can contribute to urban success, if they are not well managed they can become challenging. Diversity is no different.

Some of the most commonly perceived challenges associated diverse populations in the urban context include:

- Segregation and ghettoisation
- Tension, violence or xenophobia

These issues can be exacerbated when socio-economic conditions in a city begin to deteriorate. For instance, rising unemployment can increase competition for jobs which may cause tensions between certain groups who previously occupied different segments of the labour market.

This potential challenge makes it imperative that diversity is managed to the very best of standards. In this way, outstanding approaches to diversity promotion and management not only leverage a major asset for a city, but also mitigate what could become a constraint on city prosperity, an unnecessary drain on city resources and damaging to a city's image and identity.

3.4 What is then role of city government and how important are other actors?

The city is just one of many key actors in the urban ecosystem of diversity management. We identify a total of five signification groups and briefly detail the types of role that they have been observed to play:

- **National Government.** Sets legislation and policy frameworks as well as qualification rules and regulations
- **City government.** Translates national policy locally and sets appropriate strategies which link, promote and co-ordinates existing and future activities.
- **Voluntary and civic sector.** Less formal, culturally sensitive and grass-roots approach to diversity management.
- **The private sector.** A key player in assurance of equality in procurement and the labour market.
- **The Media.** Plays a key role in telling positive stories, recognising value and impacts even in the bad times such as recession conditions.

The approach to diversity management is a complex one which needs to be joined-up, co-ordinated, bottom up, top down, strategic and practical, local and global. There is a requirement to look at the entire system of diversity management and create a seamless approach to leverage the potential benefits of diversity more effectively.

3.4 What initiatives can cities take? How do they help maintain working diversity and achieve other social goals?

It is clear that there are a number of broad approaches which can help maintain working diversity and achieve other social goals. The case studies in this publication display their breadth.

From frameworks to demonstrate the value of migrants and diversity and the empowerment of voluntary groups to innovate to the encouragement of councils to evaluate, plug gaps and join-up initiatives in their diversity management activities the range of initiatives which seek to leverage diversity as an urban asset is substantial.

It is down to each individual city to decide which initiative will work best. Part of the purpose of this piece of work is to identify some of the very best practices to stimulate further research and promote the exchange of best-practice between cities.

3.5 Are integration and inclusion key to managing diversity successfully?

Integration and inclusion are obviously significant contributors to the successful management of diversity. At a simple level, the two represent evidence of harmonious social and economic relations between migrants and the traditional city population into which they integrate. This is positive for a number of reasons which range from the cross-fertilisation of business ideas by new perspectives to the enrichment of cultural activities in the city.

However, there is also evidence that diversity can be productive without high levels of geographic integration. Whether constrained or by choice, cities with high levels of segregation between neighbourhoods can still be productive. There is evidence of this from cities across the world. Moreover, inclusion and integration can happen beyond the neighbourhoods in which people live. It can happen in the workplace, at school, on line or in the street.

Despite these arguments, and whilst heterogeneity is to be encouraged and celebrated and homogeneity avoided, trends towards integration and inclusion are considered preferable. They are the corner stones to managing diversity because productive, healthy cities are those which are coherent where large proportions of the city's population groups participate in and contribute collaboratively and enthusiastically to city life. These are the fundamentals of cities which score highly on socio-economic indicators and are the fundamentals of successful open cities.

3.6 Success principles and guidelines for managing diversity

As the preceding section illustrates, the range and diversity of examples of good practice of the promotion and management of equality is wide. The types of interventions that make a positive contribution we can identify across our case studies include:

- Employment and labour market,
- Enterprise and business development,
- Childcare and support for the young,
- Linguistic diversity and bilingualism
- School and Adult Education,
- Culture and the celebration of cultural diversity, and
- Trade and minority business growth.

Despite this breadth, there are a number of common lessons we can draw which provide guidance to the successful management of diversity in cities. From an analysis of the case studies ten clear principles emerge and we detail them below.

- i. **Focus on the positive contribution that international talent and migrants can make to city economies.** It is critical to identify and celebrate the advantage of your diversity to achieve maximum leverage. By framing

interventions that manage diversity in a positive context the approach will focus on the enhancement of the role of migrants as an asset to the city rather than reduce the negative externality of migrants as a cost. The latter is a negative story and one which require a complex set of additional incentives to address effectively. The former approach is more constructive approach, which sets the scene for the advantage of migrants to a city to be leveraged more deeply.

- ii. **The City must take a leadership role in managing diversity and inclusion.** For initiatives to be successful a broad consensus must be built which develops a clear and justified understanding that the effective management of diversity is an important task. Authority and accountability must be established to create the space for innovative, effective and nuanced approaches to be developed. A collaborative approach can be facilitated by both research which underpins the contributions that migrants make to the city, and the presence of a visible and persuasive champion of diversity. Only City Government is in a position to take the leadership required.
- iii. **Innovation and flexibility is essential to effective service delivery.** Because many of the challenges and opportunities that migrants bring have seldom been faced by cities new approaches are required. After all, migrants have different needs, preferences and skills compared to the cities established population groups. Fresh perspectives, alternative thinking and innovative ideas should be encouraged and embraced. To operationalise this approach people with different skills and perspectives should be recruited into positions of influence in relation to diversity strategy. Innovations should not only relate to intervention planning and delivery but also the communication of how and why interventions take place.
- iv. **Develop your approach with the human-scale at centre-stage.** The invention and implementation of smart, people orientated interventions are essential. No matter of the geographic scale of delivery, plans should be communicated and executed in a way which makes sense to individual people. Issues of accessibility, comprehension and sensitivity should be to the fore. The advantage of this approach is that it provides a necessary and bespoke solution to migrants, many of which require special, particular and sensitive attention.
- v. **Scale up your successful initiatives.** Just as approaches must be legible and usable to individuals, for the achievement of real and tangible impact diversity management efforts should reach across reasonable geographies. In other words, for any given intervention both depth and breadth are important. Efforts should be made to replicate success in other areas of the city should the geography of an intervention be confined to a specific site.
- vi. **Most initiatives should work on both sides of the equation.** Closing the gap between what is needed and what market provides usually involves active brokerage on both supply and demand sides of the equation. Both the supply and demand sides should be addressed. Successful employment initiatives for example work with employers and employees. Both sets of stakeholders need to be committed to affecting positive change.
- vii. **International populations require targeted differentiated approaches.** Migrant groups within a city are not homogeneous. They display a wide range of diversity both within and between them in terms of skill, mobility and social standing. One size approaches will not work fit all here. As a result, it is important to avoid making assumptions about what groups of people need. Focus is instead required more on what will work for groups of people.
- viii. **Focus on what will work for the duration of a business cycle.** It is important to adopt approaches that last, whatever the business conditions. Sustainability requires that the model for the intervention takes into account all sections of the business cycle, the upswing and downside. One way to sustain projects over whole business cycles might be to use resources judiciously. Another might include allowing the necessary flexibility to shift the model between good and bad phases. The Local Pact for Quality Employment in Barcelona for instance focuses on keeping people in employment rather than employing the unemployed.
- ix. **Smart evaluation is needed to enhance effectiveness.** Well-designed and timed evaluations are important both to measure what is being achieved and to justify the approach to diversity taken. It's also important to

look at costs and benefits in a holistic, not incremental way. For instance, an initiative may be deemed effective for both the enhanced economic activity it encourages and reduction in tax cost it achieves.

- x. **Diversity management can be addressed indirectly.** In many cases, policies and practices which are not necessarily targeted at migrants can be adapted to support them in a very positive and effective way. By building in a degree of flexibility into certain employment programmes by providing materials in a low cost accessible way, migrants will be able to benefit. In other case, it may be possible, within larger schemes, to run small teams which support migrant populations more directly.



City of
Düsseldorf



POZnań*
* Eastern energy, Western style



City of Vienna



URBACT II

URBAN is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 300 cities, 29 countries, and 5,000 active participants. URBACT is co-financed by the ERDF Funds and the Member States.

www.urbact.eu/opencities
www.opencities.eu



EUROPEAN
PROGRAMME
FOR
SUSTAINABLE
URBAN
DEVELOPMENT



OPENCities is a British Council project funded by URBACT and led by Belfast City Council in collaboration with a network of European cities. The partner cities include Bilbao, Cardiff, Dublin, Düsseldorf, Nitra, Poznań, Sofia and Vienna.