LOCAL AND REGIONAL DEVELOPMENT

Second edition

Andy Pike, Andrés Rodríguez-Pose and John Tomaney

ROUTLEDGE

Local and Regional Development

Actors and institutions in localities and regions across the world are seeking prosperity and well-being amidst tumultuous and disruptive shifts and transitions generated by: an increasingly globalised, knowledge-intensive capitalism; global financial instability, volatility and crisis; concerns about economic, social and ecological sustainability, climate change and resource shortages; new multi-actor and multi-level systems of government and governance and a re-ordering of the international political economy; state austerity and retrenchment; and, new and reformed approaches to intervention, policy and institutions for local and regional development.

Local and Regional Development provides an accessible, critical and integrated examination of local and regional development theory, institutions and policy in this changing context. Amidst its rising importance, the book addresses the fundamental issues of "what kind of local and regional development and for whom?", its purposes, principles and values, frameworks of understanding, approaches and interventions, and integrated approaches to local and regional development throughout the world. The approach provides a theoretically informed, critical analysis of contemporary local and regional development in an international and multi-disciplinary context, grounded in concrete empirical analysis from experiences in the global North and South. It concludes by identifying what might constitute holistic, inclusive, progressive and sustainable local and regional development, and reflecting upon its limits and political renewal.

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For Michelle, Ella and Connell

For Leticia, Luis and Laura

For Helen and Kate

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Preface to the second edition

> Don't be deceived, gentle reader; the first editions are only *ballons d'essai*; it is the second editions which count.
>
> (Pevsner 1974: 18)

In the first edition of *Local and Regional Development* we attempted to set out, survey and contribute to an emerging field of study, policy and practice. This second edition forms the latest instalment of a long-term intellectual agenda of broadening our substantive, disciplinary and geographical understanding of local and regional development in the global North and South. The current volume follows the earlier First Edition, the *Handbook of Local and Regional Development*, which includes contributions from leading scholars in the field, and *Major Works in Local and Regional Development*, which assembles a selection of classic and influential texts in four volumes. Through these and other publications, we have sought to advance our evolving research, policy engagement and teaching project. In essence, this project aims to elaborate a conceptually, theoretically and empirically grounded approach to questioning and broadening understandings of "development" beyond the economic to include the social and environmental at the regional and local levels internationally. We seek to derive insights from academic research, policy and practitioner action and from the work of our students in an attempt to reach a fuller understanding of the complex and ever-evolving nature of local and regional development.

Our aim in this second edition is to offer an accessible, critical and integrated examination of local and regional development theory, institutions and policy. *Local and Regional Development* is intended as a research-led textbook for students at undergraduate and postgraduate levels and for scholars and policymakers in local and regional development at the international, national, regional, city-regional and local scales. The book draws upon our own international research funded by the Australian Business Foundation, the British Academy, Buckinghamshire County Council, the Cities Alliance, the European Commission, the European Research Council under the European Union's Seventh Framework Programme (FP7/2007–2013/ERC grant agreement n° 269868), the Henan Development and Reform Commission, the Joseph Rowntree Foundation, Middlesbrough Borough Council, the National Research Foundation of Korea (NRF–2013 51A3A2054622), Newcastle City Council, Northern TUC, the Norwegian Research Council, the Organisation for Economic Co-operation and Development, ONE North East Regional Development Agency, South West of England Regional Development Agency, the Northern Way, UK Commission for Employment and Skills, the UK Departments of Business, Innovation and Skills and Communities and Local Government, the UK Economic and Social Research Council, the UK Engineering and Physical Sciences Research Council, the United Nations-International Labour Organisation, and the Welsh Assembly Government.

The second edition of *Local and Regional Development* contains some significant changes and new material reflecting the changed and shifting context for local and regional development and our broadened understanding of the issues. Among the principal changes from the first edition are a wholly new Chapter 5 on rationales for intervention, strategy and policy development and five new international case studies in Chapter 8 focused on local and regional development in practice. All the remaining chapters have been substantially revised. The first edition of *Local and Regional Development* was generally well received by reviewers, but in preparing the second edition we have sought to respond to criticisms and feedback on our earlier work. The book now more directly addresses questions of power, politics and inequality throughout and specifically in a dedicated section in Chapter 2 on "what kind of local and regional development and for whom?". In this second edition, we have paid more attention to the fate and experience of the "developing countries"; we have tried to move beyond such traditional categorisations in expanding the focus to local and regional development in the global North *and* South (Pike et al. 2014). New case studies in Chapter 8 on local and regional development in practice draw from a wider range of geographical contexts. We pay more attention to the role of cities, city-regions and (sub)urbanisation, which are now explicitly part of the analysis, for example, in the discussion of urban economics in Chapter 3 on concepts and theories of local and regional development and in some of the new case studies in Chapter 8 on local and regional development, in practice. The book now engages more explicitly with the geographies of local and regional development, notably in Chapter 2, recognising more fully the tensions and accommodations between territorial scales and relational networks through which economic, social and environmental processes operate and through which actors seek to make governance and policy interventions. Chapter 3 develops frameworks of understanding that are now more explicitly used in the structuring of the Chapter 8 case studies and in the conclusions (also in Chapter 8) reflecting on their experiences.

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Local and Regional Development is a collective effort. Thanks are due to many people who have helped the production of this book: the book proposal reviewers; the book manuscript reviewers; Andrew Mould and staff at Routledge; the participants in the numerous research projects undertaken for the book; the funders of our recent research including the Australian Business Foundation, the Cities Alliance, the European Research Council under the European Union's Seventh Framework Programme (FP7/2007–2013/ERC grant agreement n° 269868), the Henan Development and Reform Commission, the Joseph Rowntree Foundation, the National Research Foundation of Korea, the Norwegian Research Council, the UK Departments of Business, Innovation and Skills and Communities and Local Government, the UK Economic and Social Research Council, the UK Engineering and Physical Sciences Research Council, the United Nations–International Labour Organisation, and the Welsh Assembly Government; Fraser Bell and Liam Keenan in CURDS and Matthew Rech in Geography at Newcastle University, and Ada Žiemytė – who played an important role in the revision of Chapter 6 – at LSE for the research assistance; Ella Pike for the data analysis and charts for the Boston metro case study in Chapter 8; Cath D'Alton at UCL for drawing the maps; Lewis Dijkstra and Hugo Poelman for the EU population density map; and, Michelle Wood for the cover art. Andy Pike would like to thank his other research collaborators and co-authors for their dialogue and insights – Andy Cumbers, Stuart Dawley, David Marlow, Anja McCarthy, Danny MacKinnon, Robert McMaster, Pete O'Brien and Jane Pollard – and Nick Henry for his comments on Chapter 5, as well as colleagues at the Centre for Urban and Regional Development Studies (CURDS), Newcastle University, UK, where the distinctive research ethos and culture has inspired and inflected this book. Andrés Rodríguez-Pose would like to thank Rune Dahl Fitjar and Martin Gjelsvik for their joint work and suggestions on the Stavanger case and François Yatta for his cooperation and encouragement in the case of Bobo-Dioulasso. John Tomaney would like to thank Jack Archer and colleagues at the Regional Australia Institute, Claire Colomb, Ray Mills and Xuefeng Wang. The curiosity, insights and questions of the PhD and MA postgraduates in the Local and Regional Development and Planning programmes in CURDS, LSE and UCL and undergraduates on the Geography and Planning programmes at Newcastle University, LSE and UCL have contributed in important ways to sharpening the understanding and communication of local and regional development. The usual disclaimers apply.

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Part I
Introduction

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1 Introduction

Local and regional development

1. Introduction: local and regional development

The challenges of local and regional development are faced by actors across the world. Indeed, the transformation of the economic, social and environmental prospects and potentials of localities and regions are central to the story of globalisation. But local and regional development is a highly uneven process, producing diverse economic, social and environmental outcomes as localities and regions wrestle with processes of growth, decline and adaptation. The aim of *Local and Regional Development* is to show why this issue has gained salience for international, national, regional and local institutions of government and governance. It highlights the evolving contexts of local and regional development and the challenges they present, especially to local and regional actors in connecting and reconciling top-down and bottom-up approaches (Chapter 2). This chapter explains the aims and structure of the book and introduces its main themes.

1.1 The challenges of local and regional development

Powerful economic, social and environmental as well as cultural and political forces are at work in the remaking of localities and regions. Over recent decades, international and cross-border flows of trade, finance, people and culture have accelerated, leading to greater integration of hitherto separate and sequestered national economies, and have formed the backdrop to the rise and decline of localities and regions. The term "globalisation" has slipped from the lexicon of social science into popular and political discourse to explain these processes. Although widely used in attempts to "explain" economic, social and environmental changes and their outcomes, globalisation is frequently discussed with imprecision. The nature and meaning of globalisation is contested in academic and political debates. Broadly, globalisation refers to the simultaneous marketing and sale of goods and services around the world requiring global systems of production, distribution and consumption supported by global regulation of trade and finance. In some accounts – which were especially influential in the 1990s and 2000s – the accelerating global flows contribute to the emergence of an increasingly borderless, "flat" and slippery world in which people, investments and multi-national companies are perfectly mobile and free to locate in any part of the globe (Christopherson et al. 2008; MacKinnon and Cumbers 2011). In this context national, regional and local governments were thought to have less capacity to intervene in their development and to regulate and shape social, economic and environmental outcomes. Such accounts tend to present globalisation as an inevitable, irreversible and, ultimately, benign process that increases

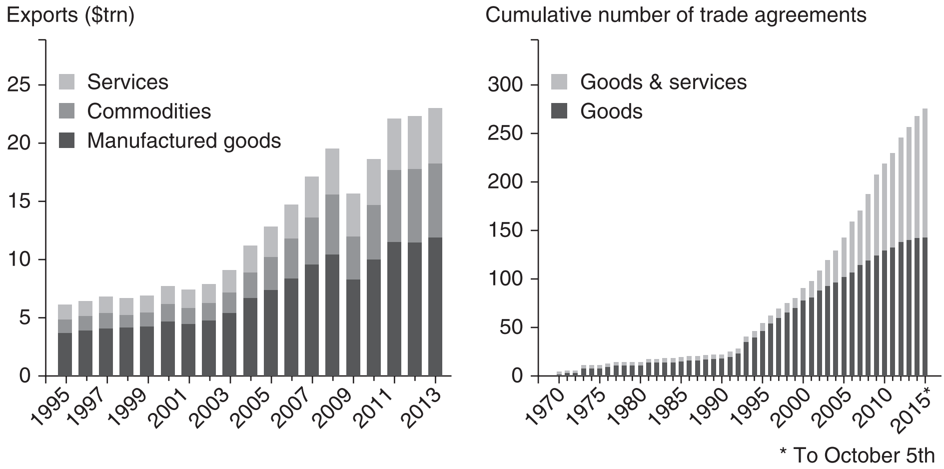

Figure 1.1 ***Indicators of globalisation***
Source: Adapted from http://www.economist.com/blogs/graphicdetail/2015/10/global-trade-graphics

human social welfare (Friedman 2005; Ohmae 1990, 1995). Through the 1990s and most of the 2000s, globalisation was associated with rising incomes across the world in ways that appeared to lend support to the global optimists and the idea that a new era of development had been born (McMichael 2012) (Figure 1.1).

International trade and investment have existed for centuries, but what seems distinctive about the current period is the intensity and encompassing nature of transnational integration. According to Castells (1996: 126–171), development now occurs in the context of a global "space of flows". Transformative technological changes, such as the shift to a knowledge-based and digital economy, are both cause and consequence of globalisation. Global trade agreements create the legal and regulatory frameworks that facilitate the free movement of finance, commodities, goods, services and people across national borders. These frameworks of market liberalisation take both bilateral and multilateral forms between nation states, but in each case place limits on the actions of government and governance institutions at the national, regional and/or local levels. International organisations such as the World Bank, the International Monetary Fund (IMF), the World Trade Organisation (WTO), the G7 and the European Union (EU), historically dominated by the interests of the most economically prosperous countries, play a key role in the design of these frameworks and in the creation and promotion of the ideas that support them intellectually. Latterly, new trade agreements such as the Trans-Pacific Partnership (TTP) and Transatlantic Trade and Investment Partnership (TTIP) seek further to broaden and deepen investment and trade liberalisation. Globalisation has also been driven by the expansion of capitalism and the market economy following the end of communism in the centrally planned economies of central and eastern Europe and the collapse of the Soviet Union, the growth of digital information and communication technologies, and the increased outsourcing of production and the development of globalised value chains. For Friedman (2005), these factors create the possibility of a "flat world", which allows all places to participate in and benefit from globalisation so long as they are home to competitive businesses. But national economies are characterised by markedly different degrees of openness and integration with the global economy, shaped by their particular variegations of capitalism and historical evolution of their political economies (Peck and Theodore 2007). Countries such as the Netherlands and Singapore are highly open to trade and investment, whereas Japan and India have relatively low levels of inward investment and manufactured imports.

Alongside globalisation, recent decades have seen intensifying processes of urbanisation. In 2007, for the first time in human history, more than half of the world's population lived in cities (OECD 2015a; UN-Habitat 2010). Moreover, recent urbanisation has been associated with a proliferation of mega-cities – with populations of at least 10 million (Figure 1.2). Among other things, the growth of the urban population and the concentration of economic activity in key cities cast doubt on the proposition that "the world is flat" (cf. Friedman 2005). Instead, it is more accurate to see the world as "spiky" (Florida 2005), "curved" (McCann 2008) and characterised by "mountains" of economic activity (Rodríguez-Pose and Crescenzi 2008) that are shaped by how places become "sticky" and attract and embed economic activities, assets and resources. In this perspective, market liberalisation and globalisation work not to "flatten" the world, but to concentrate economic activities especially in city-regions that prove attractive to financial and productive capital and provide conditions conducive to innovation (OECD 2014a). China's globalisation has seen its cities such as Shanghai assume global characteristics and influence (Plate 1.1). Transnational corporations are the primary "movers and shapers" of the world economy, and the growth of foreign direct investment (FDI) is typically taken as a proxy of the rate of globalisation (Dicken 2015; UNCTAD 2015) (Chapter 7). Global or world cities are important insofar as they are locations for the headquarters of the world's dominant firms and the financial centres that support their development and the business and other services which grow around these (Taylor et al. 2011). Such cities are attractive to highly qualified, skilled and mobile people, whether these are richly remunerated "symbolic analysts" (Reich 1992) or members of the "creative class" (Florida 2002) who staff the key industries, but also to the lower skilled

2007

		Population (Thousands)
1	Tokyo	35,676
2	Mexico City	19,028
3	New York-Newark	19,040
4	São Paulo	18,845
5	Mumbai	18,978
6	Delhi	15,926
7	Shanghai	14,987
8	Kolkata	14,787
9	Buenos Aires	12,795
10	Dhaka	13,485
11	Los Angeles-Long Beach-Santa Ana	12,500
12	Karachi	12,130
13	Rio de Janeiro	11,748
14	Osaka-Kobe	11,294
15	Cairo	11,893
16	Beijing	11,106
17	Manila	11,100
18	Moscow	10,452
19	Istanbul	10,061

Cities located near a large water body (sea, river or delta)

2025

		Population (Thousands)
1	Tokyo	36,400
2	Mumbai	26,385
3	Delhi	22,498
4	Dhaka	22,015
5	São Paulo	21,428
6	Mexico City	21,009
7	New York-Newark	20,628
8	Kolkata	20,560
9	Shanghai	19,412
10	Karachi	19,095
11	Kinshasa	16,762
12	Lagos	15,796
13	Cairo	15,561
14	Manila	14,808
15	Beijing	14,545
16	Buenos Aires	13,768
17	Los Angeles-Long Beach-Santa Ana	13,672
18	Rio de Janeiro	13,413
19	Jakarta	12,363
20	Istanbul	12,102
21	Guangzhou, Guangdong	11,835
22	Osaka-Kobe	11,368
23	Moscow	10,526
24	Lahore	10,512
25	Shenzhen	10,196
26	Chennai	10,129

New megacities

Figure 1.2 ***The world's megacities, 2007 and 2025***

Source: Adapted from UN-Habitat (2008: 1)

Plate 1.1 ***Globalisation and a global city – Pudong, Shanghai, China***
Source: Authors' image, 2014

migrants, refugees and asylum seekers who, typically, find work in the services industries that underpin the growth of global cities or in the manufacturing industries that are driving urbanisation in some parts of the world (Wills et al. 2012).

Heightened levels of social and spatial inequality mark the era of globalisation. Analysis has focused on how the gains of globalisation have been appropriated by a small social elite and how wealth is accumulating in fewer and fewer hands – the so-called "1 per cent" (Piketty 2014; Stiglitz 2013). Piketty (2014) emphasises how the returns to wealth are outstripping the rate of growth in the economy, reflecting the increased role of asset appreciation, inheritance and ownership in the more prosperous economies of the global North and beyond. While in some accounts social and spatial inequalities are considered positive for growth because they provide incentives for enterprise (Glaeser 2013), recent research has highlighted the negative impacts on wider society and economy. Wilkinson and Pickett (2010) demonstrate how income differences within a society and the size of the gap between the highest and the lowest income earners has a significant effect on the entire society, eroding trust, increasing anxiety and illness, encouraging excessive consumption and even influencing crime and murder rates. In more prosperous countries, a smaller gap between rich and poor means a happier, healthier and more successful population. There are important gender and ethnic dimensions to patterns of inequality between and within countries and regions (Perrons 2012). In Nordic countries, levels of labour market equality between men and women are very high, but in the UK there are significant differences between employment participation rates between regions (Perrons and Dunford 2013). There are very different levels of women's involvement in the workforce in China and India with high levels in the former and low levels in the latter. Forms of ethnic and religious discrimination can be expressed in urban and regional inequalities too (Altman 2004) (Chapter 8). Rising inequality contributes to the erosion of a shared sense of citizenship, weakening social solidarity and entrenching the political power of elites (Crouch 2013; Oxfam 2014). Increasing inequality has wider economic impacts, causing a drag upon further growth because it limits the expansion of demand and consumption on the part of those groups who experience stagnating or declining relative incomes which have the greatest propensity to consume (Cingano 2014; Morgan Stanley 2014; Ostry et al. 2014, Standard & Poor's 2014). Politically, in the wake of the global financial crisis and the "Great Recession", the uneven distribution of the benefits and costs of globalisation formed the backdrop to the waves of protest that caught the attention of the world – symbolised by the Occupy Wall Street (OWS) movement that began in Zuccotti Park in New York City in 2011 and spread internationally, fomenting new political groupings across the world such as Podemos (Spain) and Syriza (Greece) in recession-hit Europe (Chapter 9).

In the context of globalisation and rising inequalities, the map of regional and local prosperity has become more sharply etched (Figure 1.3). Significant differences in levels and rates of growth, unemployment and poverty exist between localities and regions across the world. In many, if not most, countries inequalities in economic and social conditions have widened, although their size and pattern varies. In China, industrialisation and urbanisation have produced a complex pattern of urban/rural and inter-provincial inequalities that has favoured the eastern coastal region, reflecting a mix of policy choices, territorial competition and market forces (Chapters 7 and 8). In the EU, prior to 2008 the geography of prosperity saw convergence *between* Member States, but widening inequalities *within* states marked by a growing dominance of capital cities within national economies, with significant variation of the range of inequalities within different countries, although this pattern was disrupted by the effects of the Great Recession and attendant austerity (European Commission 2014) (Chapter 3). In some parts of the world, the rapid growth of large and capital cities has been matched by the emergence of "shrinking" cities and regions, places where economic contraction and population decline are entrenched (Haase et al. 2013, 2014). Social and spatial inequalities have also grown within cities in many countries in both the global South and North. In global cities across the world, rising socio-spatial inequality is manifest in concentrated poverty and unemployment and a lack of affordable housing. Relationships between central business

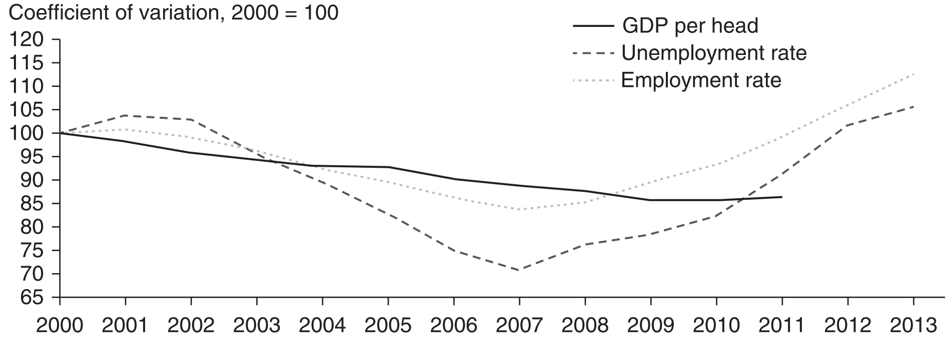

Figure 1.3 ***Coefficient of variation of GDP per head, employment rate (15–64) and unemployment rate, EU-27 NUTS 2 regions, 2000–2013***
Source: Adapted from European Commission (2014: 3)

districts and suburbs, ghettos and gentrifying districts contribute to complex urban morphologies marked simultaneously by conspicuous consumption and social exclusion, mediated by welfare and land-use planning regimes (McGranahan and Martine 2014).

Politically, the era of globalisation during the 1990s and 2000s was understood initially as an extension of a western model of market liberalisation and production. In the aftermath of the Second World War, much discussion of development concepts, policy and practice drew upon experiences from the global North (McMichael 2012) (Chapter 2). Researchers in the global South contested the appropriateness of this one-way traffic, questioning the relevance of development theories formulated in very different historical, political and economic contexts to explain their predicament (Yeung and Lin 2003; Connell 2007). The dramatic rise of China as a global economic power and as an incipient ideological and strategic hegemon, especially in the global South, represents a political challenge to the tenets of what has been known as the "Washington Consensus" on development (Rodrik 2006; Stiglitz 2002; Williamson 1989). The creation of new acronyms such as BRICs (Brazil, Russia, India, China) and MINTs (Mexico, Indonesia, Nigeria, Turkey) point to the growing importance and visibility of emerging economies characterised by rapid industrialisation, urbanisation and a rising middle class (O'Neill 2013). With differing and particular variegations of capitalism, the governments of these countries typically eschew the axioms of the Washington Consensus by allowing a larger role for the state in the ownership and strategic direction of the economy (Breslin 2011).

The trajectory of globalisation, the growth of inequality and the rise of emerging economies all played a part in the global financial crisis, the ensuing Great Recession and the subsequent weak and highly socially and spatially uneven recovery. Irrational and exuberant credit creation, especially in the financial sectors in the US and the UK, together with lax regulation by central banks and financial authorities were the proximate cause of the crisis. But these developments occurred in a context of low inflation and apparently stable growth, together with a "savings glut" in the emerging Asian economies, notably China, which kept interest rates low (the "Great Moderation") and, through lending, fostered an increase in private indebtedness in the global North. In the US, these conditions contributed to a housing bubble as lenders flush with credit but struggling to generate returns or yield extended beyond the safer "prime" markets and began offering credit to customers in the more risky "sub-prime" markets – relatively poor households who had previously been unable to access credit to buy a house because of declining wage levels, intermittent employment histories and poor credit histories (Dymski 2010). Complex "Collateralised Debt Obligations" (CDOs) were designed to limit lenders' exposure to default by mixing safe and sub-prime debt and proved an attractive investment to banks, hedge funds and other investors looking for higher returns from riskier investments. Searching for enhanced financial returns, European and other banks were keen purchasers of CDOs. However, once customers in the US began to default on their mortgage repayments, the banks found valuing their assets and exposure complicated. This uncertainty triggered a collapse in confidence and a liquidity crisis or "credit crunch" as banks became unwilling to lend to each other. The credit that oils the wheels of the international financial system dried up, and the crisis was transmitted and amplified rapidly given its highly integrated and lightly regulated nature. The failure of Northern Rock in the UK in 2007 and Lehman Brothers in the US in 2008 triggered further bank collapses and forced government-funded bailouts and partial and wholesale nationalisations to prevent further collapses. The banking crisis contributed to a collapse in confidence in the global economy and a deep economic downturn that affected the US and Europe in particular, and quickly translated into a sovereign debt crisis in countries such as Greece, Portugal, Ireland, Spain, Italy, Iceland and Cyprus as governments struggled to finance their borrowing needs in the face of failing banks, collapsing economic output, rising unemployment and sharp reductions in revenue.

The ensuing Great Recession had a highly uneven geography between and within countries, tending to reinforce existing patterns of local and regional inequality in the hardest-hit countries. In the US, the collapse of the housing market was concentrated in municipalities with large concentrations of sub-prime mortgages. To the extent that municipal authorities depended heavily on property taxes for their revenue, the knock-on effect of contraction of the real estate sector was to reduce public expenditure at the time it was most needed to mitigate the effects of crisis. Austerity – deep and continuing reductions in public expenditures – was the political response. "Austerity urbanism" originated in the US, but versions of it can be identified across the global North (Peck 2012a). Ireland, which had experienced a long period of economic growth within the EU since 1986 (the "Celtic Tiger" years), witnessed a series of spectacular bank failures, an unprecedented collapse in its property prices and a steep rise in unemployment and large-scale emigration (Mair 2013; Ó Riain 2014). Remoter and poorer regions were hardest hit. Forced to nationalise banks and facing collapsing tax revenues, the Irish government sought a financial bailout from the troika of the EU, European Central Bank and IMF. The price of the bailout was the imposition of a programme of austerity which resulted in unprecedented state restructuring, pay cuts for public sector workers and public service reductions. Austerity acquired a semi-permanent character in many states in the EU, constraining the political room for manoeuvre of governments (Schäfer and Streeck 2013). The geography of austerity was highly socially and spatially uneven, affecting some places much more than others (Kitson et al. 2011). Other western countries, notably Australia and Canada, were less affected by recession because their economies relied heavily on the export of resource commodities to China. Industrialisation and urbanisation in China continued apace, despite the contraction of markets for its manufactured goods in Europe and the US, partly as a result of the central government's decision to support a stimulus package to offset the effects of a slowing world economy.

As Europe and the US struggled to re-establish growth and effect recovery, a shift in the global economic order was evident. In 2010, "developing" and "transition" countries mostly in the global South for the first time contributed more than 50 per cent of global GDP (UNCTAD 2015). Emerging economies, most notably China, were now the source of both imports and capital in the global North and South. In cities such as London and Paris, private and state actors from China, the Gulf States and Russia among others have become major investors in residential and commercial property and infrastructure. South–South trade, exemplified by China's "Silk Road Economic Belt" and "21st-century Maritime Silk Road" strategies, are establishing new trade patterns and sources of investment in the global South (King 2011). Chinese investment in resource extraction has transformed localities and regions across Asia, Africa and Latin America (Mohan 2011). These developments were prefigured in the 1990s by the rise of the "Asian Tigers" South Korea, Taiwan, Hong Kong and Singapore, all of which made the transitions from low-income to high-income countries. The experience of these countries demonstrates how strategic trade policy and geopolitical positioning contribute to the context in which local and regional development occurs.

The countries which contributed significantly to the growth of the world economy in the aftermath of the global financial crisis and Great Recession, such as China and Brazil, were experiencing much slower growth by 2015. In this context, Christine Lagarde, the Managing Director of the IMF, predicted a "new mediocre" phase of growth which risked becoming the "new reality of the global economy" (Financial Times 2015a: 1). By some accounts, despite the debates surrounding TTP and TTIP, the global economy faced a rising tide of "protectionism", while there were suggestions that globalisation had "stalled" (UBS 2015) and longer-term fears of "secular stagnation" in the global economy were voiced (Summers 2014: 65). Slow growth has its own highly uneven geographies. Successive waves of "quantitative easing" – the creation of electronic credit aimed at stimulating lending, borrowing and investment by businesses – by the US Federal Reserve, the Bank of England and the European Central Bank actually had the effect of inflating asset prices in ways which reinforced the growth of residential and commercial property values in cities such as London and Munich (Financial Times 2015b). This development favoured existing owners of residential property and accelerated the crisis of "housing affordability" experienced by younger and less affluent households. The stimulus package enacted by the Chinese government brought forward new infrastructure investments but also allowed banks to loosen their lending policies in ways that contributed to increased lending to individual home purchasers and raised housing prices that advantaged the main real estate markets, notably in Shanghai, and raised the risk of an increase in non-performing loans should prices collapse (Barth et al. 2012; Burdekin and Weidenmier 2015).

The rise and faltering of globalisation provides a challenging context for local and regional development, and intersects with a range of societal and environmental challenges. Underpinning globalisation, urbanisation and the rise of Middle Income countries, has been an expanding population. The global population stood at 7.2 billion in 2015, with the UN projecting the population to reach 8.5 billion by 2030, 9.7 billion by 2050 and to exceed 11 billion in 2100 (UN Department of Economic and Social Affairs 2015). Accommodating population growth is a key global challenge for localities, regions and cities, but the nature of demographic change is complex and geographically uneven. Global life expectancy is increasing. Population growth is expected to moderate as fertility rates decline in countries undergoing demographic transitions to lower birth and death rates, but ageing will accelerate, as it already has done, especially in countries in the global North and in China. Moreover, demographic trends are unfolding differently in different parts of the world. The population of the EU is expected to decline and to age, in the absence of significant in-migration. China's population is ageing rapidly despite the recently relaxed one child per family policy. African countries will continue to experience population growth but in a context of declining fertility. Within countries, rates of ageing vary significantly between localities and regions with important implications for labour force supply and the costs of public service provision. Slower growing regions in Europe often have older populations. Migration has the power to transform cities and regions. Migrations are occurring across the globe on a very large scale driven by a complex range of "push" and "pull" factors. In 2014 and 2015, Europe experienced a wave of mass migration driven by a desire to flee war, persecution, poverty and environmental crisis in the Middle East, the Maghreb and Sub-Saharan Africa. Asylum applications in the EU rose threefold to over 600,000 between 2002 and 2014 – a figure expected to be exceeded in 2015 (Eurostat 2015). However, in 2014, it was countries of the global South that hosted 86 per cent of the world's refugees – at 12.4 million persons, the highest number in more than two decades with the "Least Developed Countries" providing asylum to 3.6 million refugees or 25 per cent of the global total (UNHCR 2015). Economic integration may facilitate migration. In the EU, successive geographical enlargements to incorporate new Member States have been accompanied by new patterns of migration. The accession of central and eastern European countries to EU membership saw significant movements of their populations to the relatively more prosperous western European countries, largely contributing to their economic growth. Migrants potentially provide a valuable contribution to local and regional development (Wills et al. 2012), but in the context of declining workers' real incomes, enduring austerity and endemic racism, the rise of anti-immigrant sentiment and political conflict about levels of migration has been evident in the US, the EU and Australia among other places.

In concert with economic, social and political change, environmental pressures also shape and influence the context for local and regional development. Anthropogenic or people-originated climate change poses substantive ecological and economic threats to the global population. The scientific consensus accepts that the burning of fossil fuels is contributing to changes in the Earth's climate, but its impacts are likely to be geographically and socially uneven (Maslin 2014). The Stern Review (2007: 14) in the UK concluded that climate change represented the greatest and most fundamental market failure facing humankind and suggested that "our actions over the coming few decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th Century" (Chapter 5). With growing support for the scientific consensus, urgent action is deemed necessary to minimise the economic, social and political disruption arising from climate change. Stern acknowledges such disruption is inevitable and that the economic consequences are likely to be worse for Africa and some other countries in the global South that lack the capacities and resources to act. Massive and immediate investments are required to stabilise greenhouse gas emissions, but these will need to be supported by measures aimed at mitigation and adaptation. International collective action will be necessary to achieve these objectives, but actions at the local, regional and urban scales are likely to be crucial (Maslin 2014). Climate change threatens water, energy and food security. Sir John Beddington (2008), a former Chief Scientific Adviser to the UK government, described this situation as the "perfect storm" and estimated that by 2030 global food and energy demand will have increased by 50 per cent and water consumption by 30 per cent, partly reflecting the rise in global population, but also rising incomes and consumption in countries in the global South (Figure 1.4).

Alongside these pressures are challenges posed by the increased consumption of natural resources which are intimately linked to climate change and population growth. The competition for natural resources is a major source of geo-political conflict and shortages of key resources, such as rare earth metals central to manufactured products in the digital economy, have the potential to be disruptive. Fundamentally, ownership and management of land as a principal factor of production are critical to local and regional development. Land is a complex commodity because it provides a foundation for well-being, prosperity and identity. The most intractable national and local development disputes typically focus on claims to land ownership. Conflicts over the use of land often lie at the heart of competing visions of local and regional development and the degree to which a balance can be struck between economic, social and environmental imperatives (Government Office for Science 2010). Some localities and regions benefit from the increased demand for specific resources. The demand for coal, iron ore and other minerals fuelled the growth of regions like the Pilbara in Western Australia and Mount Isa in western Queensland. Growing rates of industrialisation and urbanisation consume more resources and produce more waste, both of which pose mounting development challenges. Pollution is a pressing problem in many fast-growing cities in the global South (World Health Organisation 2015). Investments in new infrastructures, goods and services are designed to mitigate and adapt to natural resource pressures and environmental change. The shift towards a low carbon economy may provide local and regional

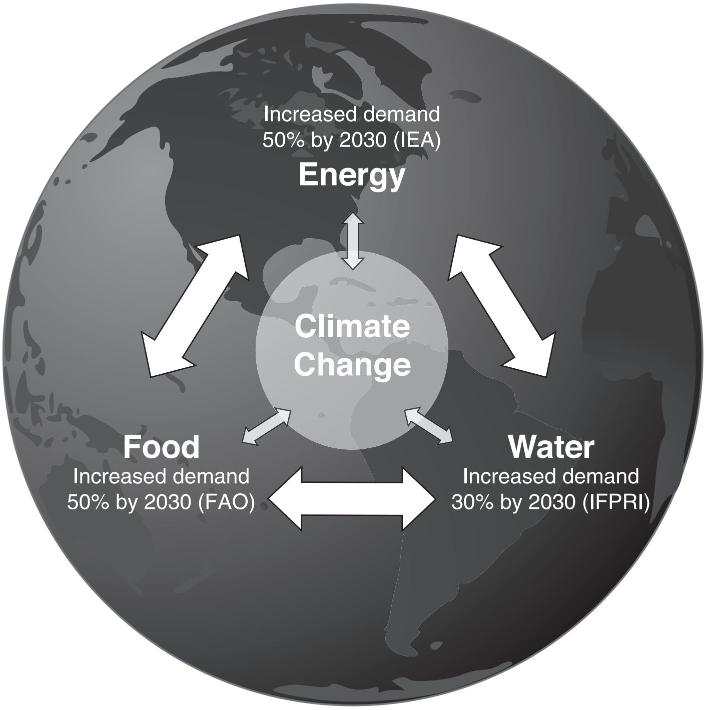

Figure 1.4 ***The "Perfect Storm"***
Source: Adapted from Beddington (2008)

development opportunities – indeed, some of the most advanced innovations are found at the local and regional scales (Rodrik 2014; Stern 2007) – but significant questions surround the social and geographical distribution of the benefits and costs of such actions.

Local and regional development takes place within frameworks of institutions of government and governance. Partly in response to the shifting macro-scale contexts of globalisation, rising inequality, recession and austerity, the reordering of geopolitical hierarchies and environmental pressures, structures of government and governance are themselves subject to change. In some accounts (e.g. Ohmae 1995), the role of the state in managing processes of economic development is much diminished by globalisation (Chapter 4). By contrast, others stress the continuing importance of states in shaping the rules of the global economy, despite the pooling of some sovereignty in institutions at the supra-national scale (Rodrik 2011). The growing weight of emerging economies in the global South, moreover, draws attention to models of economic growth that are promoted by "developmental" states, where governments play a key role in the allocation of resources and the determination of social and economic priorities in ways that diverge from the orthodox models that have underpinned the "Washington Consensus" (e.g. Wade 2003) (Chapter 4). It makes more sense to conceive of the nation state as being selectively reworked and transformed rather than being hollowed-out and disappearing. Trajectories of change are geographically diverse, however, reflecting particular histories of state formation and nation building. Multi-level governance has emerged in the global North and beyond as state power is exercised with and by multiple actors and at multiple spatial scales, but in which the regional scale has gained a particular salience (Hooghe et al. 2010) (Chapter 4). Such developments link with claims that effective institutions are key ingredients in sustainable forms of local and regional development (Tomaney 2014) (Chapter 4). Questions arise about the transparency, legitimacy and accountability of local and regional institutions and the place of democratic deliberation in the shaping of development priorities (Sen 1999) (Chapters 4 and 9).

1.2 Aims and organisation of the book

The international growth in the extent and importance of local and regional development unfolds in a context of rapid and deep social, economic, environmental, political and cultural change. Changes in concepts, theories, empirics, rationales, strategies and policies have stimulated and sustained further interest in the geographically differentiated development experiences of localities and regions in the global North and South especially following the global financial crisis, Great Recession and weak recovery. Against a background where its purposes and outcomes are being contested, the importance and worth of local and regional development in concert with, rather than instead of, national approaches is explored. A conceptually, theoretically and empirically grounded approach is taken to question and widen understandings of “development” beyond the economic to incorporate the social, environmental, political and cultural at the local and regional scales. The book provides a further contribution to a long-term intellectual agenda and on-going research, teaching and policy engagement project of broadening local and regional development – substantively, disciplinarily and geographically – beyond the economic, across multiple disciplines such as development studies, economics, geography, planning and urban studies, and in the global North and South (Pike et al. 2006, 2007, 2012a, 2014, 2015a; Tomaney et al. 2010). The aim of this book is to provide an accessible, critical and integrated examination of local and regional development concepts, theories, institutions, rationales, strategies and policies – illustrated with examples from the global North and South. The central questions addressed are:

1. What determines and shapes the definitions, aims and strategies of local and regional development?
2. What are the conceptual and theoretical frameworks capable of understanding and explaining local and regional development?
3. What are the main rationales for interventions, approaches, strategies, policies and instruments of local and regional development?
4. How do actors and institutions in localities and regions attempt to effect development in practice?
5. In normative terms, what kinds of local and regional development should actors be pursuing?

Local and Regional Development addresses these key questions in four closely integrated parts. Part I introduces the starting points in considering local and regional development. Following this “Introduction”, Chapter 2, “What kind of local and regional development and for whom?”, focuses on the fundamental questions of what local and regional development is, what it is for and, in normative terms, what it should be. Narrow understandings of “development” regionally and locally based solely upon economic ideas are questioned and broader meanings sought that incorporate social, environmental, political and cultural dimensions at the local and regional scales. Defining local and regional development explores its meanings, historical evolution and the geographical issues of space, place, territory and scale. Acknowledging the central role of power and politics, local and regional development is conceptualised as socially determined in the context of historically enduring themes, principles and values that vary between localities and regions, and over time. Actors and institutions at the local and regional levels across the world are seeking their own understandings and versions of prosperity and well-being amidst tumultuous and disruptive shifts and transitions. Understanding and explaining their aspirations and experiences of development in different local and regional contexts is a central purpose of the book. Distinguishing the varieties, objects, subjects and social welfare dimensions of local and regional development provides frameworks to interpret and account for the socially and geographically uneven distributions of who and where benefits or loses from particular forms of local and regional development.

Part II sets out the evolving frameworks for understanding and explaining local and regional development. "Concepts and theories of local and regional development" – Chapter 3 – critically reviews the main existing and emergent approaches: neo-classical; Keynesian; Marxist and radical political economy; theories of structural and temporal change (stage, cycle and wave theories, transition theories); evolutionary approaches; innovation, knowledge, learning and creativity; "New Economic Geography"; urban economics; competitive advantage and clusters; sustainability; and, post-developmentalism. Each set of ideas is discussed in terms of their: starting points, aspirations and assumptions; concepts, relationships, causal agents, mechanisms and processes; relations to policy; and, shortfalls in seeking to understand and explain local and regional development across space, in place and over time. Longstanding concepts and theories have struggled as well as endured, critiques have bitten and resonated, and novel and innovative thinking has emerged in efforts to understand and explain the constantly evolving processes and patterns of local and regional development.

Chapter 4, "Institutions: government and governance", examines the relationships between institutions of government and governance and local and regional development, emphasising the growing interest in the role of institutions. The changing role, form and nature of the nation state is tackled alongside the continued importance of government through its powers and resources in the context of "hollowing out", and the emergence of supranational, transnational and decentralised governance structures. Increasingly evident are multi-agent and multi-level systems of government and governance working across a range of geographical scales, and these have become integral for development at the local and regional levels. Conditioned by the legacies of distinctive variegations of capitalism in particular national settings, and the operation of power, politics and democracy, the institutions of government and governance frame the extent and nature of agency and capacities actors in localities and regions are able to construct and exercise in reshaping existing and developing new approaches for local and regional development. In many societies, with declining public faith in public institutions and political systems, traditional institutions of representative democracy and existing approaches to public policy formulation, the involvement of civil society, innovation and experimentation are increasingly important in democratising and encouraging participation in institutional and political structures of local and regional development.

Shaped by the context, discussion of definitions, principles and values, and frameworks of understanding, Part III addresses "Interventions: rationales, strategies, policies and instruments" of local and regional development. Chapter 5, "Rationales for intervention, strategy and policy development", engages the rationales for interventions, visions and strategy, and policy design and development. The different arguments and rationales used by actors to justify interventions in the relations and processes of local and regional development are explained and their government and governance including issues of efficiency and/or equity. Questions about how, where and when to intervene are addressed. How strategies for local and regional development and policy intervention are conceived is examined, with a focus upon visions and aspirations, aims, purposes and goals, and efforts to move beyond dualistic understandings to explore the integration and coordination of people *and* place-based as well as top-down *and* bottom-up approaches (Chapters 2 and 5). The different approaches to policy development are presented using the framework of the policy cycle to discuss diagnosing the issues, building the knowledge base, assessing the options, selecting the instruments, designing the implementation, evaluating the outcomes, and learning and adapting the strategies and policies.

"Mobilising indigenous potential", Chapter 6, examines the approach of stimulating local and regional economic potential through promoting indigenous and endogenous forms of development from *within* localities and regions. The foundations of this approach are explained as the basis of bottom-up, place-based and context-sensitive local and regional development strategies. Strategies and instruments are discussed including support for entrepreneurs and the establishment of new businesses, growing and sustaining existing businesses, and developing and upgrading labour skills and capacities. The potential and problems of the indigenous/endogenous or place-based approach are explored, including concerns over the capacity and knowledge of actors at the local and regional as well as national levels, and the issue of what constitute appropriate levels of autonomy and resources afforded to local and regional actors within multi-actor and multi-level government and governance structures.

"Attracting and embedding exogenous resources", Chapter 7, explains approaches to draw in and fix resources external to localities and regions into their development. The growth of transnational corporations and their changing forms are discussed, incorporating the rise of global production networks and value chains, the shifting types and patterns of international investments, the linkages and relationships with local and regional economies, and the possibilities and limitations upon economic and social upgrading. Changing roles and forms of institutions, policies and instruments trying to attract and embed external investment for local and regional development are discussed as well as the on-going concerns of capturing repeat investment, limited integration in local and regional economies, and capital flight and divestment. More recent concerns with attracting and retaining particular occupational groups and people such as "creative professionals" are discussed. The chapter concludes and incorporates a discussion of the possibilities and limits arising from attempts to connect indigenous, endogenous and exogenous approaches to local and regional development.

Part IV aims to unify the main themes of the book and address integrated approaches to local and regional development on the ground in localities and regions in the global North and South. "Local and regional development in practice", Chapter 8, draws on the main themes, frameworks of understanding and strategic approaches outlined in the book to underpin its analysis of case studies of local and regional development in an international context. Focusing upon differential experiences from Europe, the US, Africa, East Asia and the Middle East, the empirical cases comprise: North East England, UK; Boston, US; Stavanger, Norway; Henan, China; Bobo-Dioulasso, Burkina Faso; and, the Kurdistan Region of Iraq. For each case, the analysis examines the common and particular definitions, principles, values and explanations of local and regional development, rationales, strategies and policy approaches, the role of government and governance, experiences and future issues. Looking across the cases, the analysis demonstrates: combinations of shared and particular definitions of local and regional development utilised by actors in efforts to secure particular kinds of growth, employment, income and well-being for people and places; the use of different concepts and theories as guides to action rather than deterministic frameworks by actors in often mixed and loose ways; the diversity and variety of experiences, practices and trajectories of local and regional development that make categorisation of "success" or "failure" more provisional and ephemeral; the highly geographically differentiated autonomy and scope for local and regional institutions framing their attempts to articulate, hold together and influence the development paths of localities and regions in the context of specific national variegations of capitalism, government and governance structures, and social and territorial settlements of power and politics; the efforts to link and stimulate both internal or indigenous and endogenous and external or exogenous resources and forms of local and regional development; the rejection of universalised "one-size-fits-all" policy and growing importance of context-sensitive and place-based approaches; and, the moves beyond simplistic policy transfer and increasing openness to more sophisticated and reflexive forms of international policy learning and adaptation.

The "Conclusions", Chapter 9, summarises and reviews the contributions of the book. The possibilities and limits of local and regional development are discussed alongside the political constraints on nation states and local and regional institutions of government and governance in the pursuit of more effective policies. Nevertheless, the case is made for policies that encourage and support local and regional development, albeit with an awareness of the evolving rationales and approaches and the attendant risks of intervention and non-intervention. This approach seeks to provide guiding principles informed by the kinds of universal values that can influence the social determination of definitions, geographies, varieties, principles and values for local and regional development that are geographically differentiated and change over time. This way of thinking underpins and informs thinking and discussion by local and regional actors about the fundamental question of "what kinds of local and regional development and for whom?".

In addressing this question, the normative framework of a holistic, progressive and sustainable approach to local and regional development is set out. The holistic dimension interprets close inter-relations between the economic, social, political, ecological and cultural dimensions of local and regional development. The progressive aspect is underpinned by a belief in the social injustice of the spatial disparities and inequalities generated by combined and uneven development. The progressive part is focused upon a set of foundational, even universal, principles and values. These trans-historical notions might include justice, fairness, equality, equity, democracy, unity, cohesion, solidarity and internationalism. Sustainability is the third guiding principle connecting to the holistic and progressive dimensions for local and regional development understood as a broad and wide notion of health, well-being and quality of life in localities and regions. It incorporates and reinforces an integrated understanding of the relations between the economic, social, ecological, political and cultural dimensions of sustainability.

The book concludes that local and regional development is ultimately contested and political. The answers formulated to the question of "what kind of local and regional development and for whom?", the frameworks of understanding utilised, the definitions provided of localities and regions, and the ways in which actors with interests acquire the rights to specify what local and regional development means are understood as profoundly political issues (Hudson 2007). Aspiring towards holistic, progressive and sustainable forms reinforces the need for a renewal and reinvigoration of the politics of local and regional development. This political process involves normative choices about what local and regional development should be about, where and for whom. Such a process is value-laden – not solely an objective and technical assessment of factual information – and requires institutions to enable articulation, deliberation, participation, representation and resolution. Actors at the local and regional level will endeavour and often struggle to articulate, identify and hold onto the outcomes of their political processes deliberating and determining the combinations of universal values, visions and particular concerns for their local and regional development within a shifting and often disruptive global context. A central and on-going task is linking and connecting agendas and the diversity and variety of local and regional development aspirations, projects and experiences in the global North and South to support dialogue, debate, disagreement, reflection and learning on approaches, concepts and theories, rationales, strategies, policies, practices and experiences. This book seeks to make a contribution to such efforts.

Further reading

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2 What kind of local and regional development and for whom?

2. Introduction

> Regional development is a broad term but can be seen as a general effort to reduce regional disparities by supporting (employment and wealth-generating) economic activities in regions.
>
> (OECD 2014a: 1)

As an international development institution, the Organisation for Economic Co-operation and Development (OECD) articulates a particular view of the kind of local and regional development it deems appropriate, valuable and worthwhile. Such perspectives differ from place to place and vary over time. How specific interpretations are determined, who gets a voice in the process, and what makes them different are central to understanding and questioning the nature of development in localities and regions. To grasp what we are dealing with when thinking, writing and doing local and regional development, it is important to begin with first principles. This point of departure is particularly vital given the tumultuous changes in the context of local and regional development (Chapter 1). Our basic understandings of what local and regional development is, what it is for and, in normative terms, what it should be about require scrutiny. We can begin by asking the fundamental questions of "what kind of local and regional development and for whom?" Starting here encourages us to take a critical approach and consider what we are thinking and learning about local and regional development. These basic concerns are addressed in the four parts of this chapter. First, questions of definition are examined to understand what is meant by local and regional development, to establish its historical context and to understand its geographical dimensions. Second, the nature, character and forms of local and regional development are explored to interpret its underpinning principles and values, articulations of power and politics, and different varieties in particular geographical settings and time periods. Third, the objects, subjects and distributional dimensions are addressed to understand the socially uneven and geographically differentiated distribution of who and where benefits and loses from particular kinds of local and regional development. The following Chapter 3, "Concepts and theories of local and regional development", builds on the starting points articulated in this chapter and discusses their use in the concepts and theories that seek to understand and explain development in localities and regions.

2.1 What is local and regional development?

Questions of definition are critical to understanding what is meant by local and regional development. However, defining – saying exactly what is meant by – local and regional development is more complex than we might initially think. Definitions are wrapped up with views about what local and regional development is for and what it is trying to achieve. Referring to conceptions of "development", Williams (1983: 103) noted: "very difficult and contentious political and economic issues have been widely obscured by the apparent simplicity of these terms". Defining – individually or collectively – what is meant by local and regional development is a critically important and deceptively subtle task if we are to look beyond the often unquestioned assumptions and superficial descriptions in use.

Economic dimensions such as growth, employment, incomes and wealth creation have historically been at the forefront of defining what constitutes local and regional development (Hirschman 1958; Armstrong and Taylor 2000). In some views, local and regional development is articulated as local and regional *economic* development. For Storper (1997), the local and regional search for prosperity and well-being is focused on the sustained increases in employment, income and productivity that remain at the heart of economic development. For Beer et al. (2003b: 5), there is a "reasonable consensus about the broad parameters of what is meant by local and regional economic development: it refers to a set of activities aimed at improving the economic wellbeing of an area". For Hague et al. (2011) economic concerns constitute the principal development emphasis at the local and regional levels.

The dominant economic focus in local and regional development definitions has broadened since the early 2000s (Tomaney 2015). Why? First, connecting to longstanding concerns in Development Studies in the global South, there has been growing disquiet with equating development with solely economic facets such as growth in output and income (Hopper 2012; Pike et al. 2014). Focusing only on economic concerns has been interpreted as narrow and reductionist, and unable adequately to capture meaningful and valuable aspects of individual and social existence such as health, quality of life and well-being (Gray et al. 2012; James 2014; Perrons 2012). Second, the growing recognition and importance of sustainability has extended its reach and resonance beyond purely environmental concerns to encompass the economic, social, cultural and political (Jackson 2009; Morgan 2004). The wider, longer-term and inter-generational frame of sustainability and its focus on the disruptive issues of climate change and resource shortages have prompted scrutiny and critical reflection about existing economically oriented versions of local and regional development. Third, in the aftermath of the global financial crisis and Great Recession from 2008, the economic development models complicit in the crisis have been questioned and challenged (Chang 2011; King et al. 2012). New and alternative approaches are being sought to prevent the reoccurrence of the crisis (New Economics Foundation 2008) – as well as to resurrect the existing models in some quarters (Crouch 2013; Peck et al. 2012) – and to build in adaptive capacities and resilience locally and regionally to withstand, bounce back and anticipate future and expected disruptive change (Pike et al. 2010; Tomaney 2015).

Broader conceptions of development at the local and regional levels have been sought in attempts to connect the longstanding economic with emergent social, ecological, political and cultural concerns (Pike et al. 2012a). Broadening the measures of development is part of this redefinition especially at the national scale (Example 2.1) and, more recently, at the local and regional levels (Perrons 2012). As Dunford (2010: 3) puts it:

> development refers to the act of making the area more useful or more productive of useful things (development of or in an area) or to development of or for the people who reside in an area (human development) and is often associated with the idea that

places and their inhabitants can pass from lower to higher stages of organization. Development is therefore a process in which people are at one and the same time the actors and the beneficiaries.

Accommodating and reconciling this broadened range of facets to development is a critical but difficult task. We return to the integration, balances, trade-offs and differences in emphasis between the economic, social, ecological, political and cultural dimensions of local and regional development below.

Example 2.1 Broadening the measures of development

Historically, the level of development of a nation, region or locality was measured by using economic indicators such as economic growth or income per person. Gross National Product (GNP) (total value of all income or final product accruing to residents of a country derived from *within* and *outwith* that country) and Gross Domestic Product (GDP) (total value of all income or final product created *within* the borders of a country) were the main economic indicators used. Income levels were considered reasonable approximate measures for levels of development, and income per person was assumed to be a logical surrogate for gauging social progress. Adjustments were sometimes made for population size, income distribution, price changes over time, purchasing power parity, and the contribution of the informal economy. In a recent shift emphasising the growing importance of productivity and relative competitiveness, Gross Value Added (GVA) (the contribution to the economy of each individual producer, industry or sector) has been used in some countries. Adding taxes and subtracting subsidies on products to GVA equates to GDP (ONS 2014). While recognizing that particular forms of development might encompass more than simply rising incomes, economists argued: “the greatest number of the other dimensions of development that countries might wish to realize are more easily attained at and tend to accompany higher income levels” (Cypher and Dietz 2004: 30).

The limits of solely economic indicators as measures of development have been exposed in recent decades, however (Cypher and Dietz 2008). Such economic measures have been increasingly considered too narrow to capture wider dimensions such as health, quality of life and well-being (Tomaney 2015). In addition, such economic indicators were seen as too aggregate and unable adequately to grasp the distributional issues of social, economic, environmental and spatial inequalities or questions of economic, social and environmental sustainability. Indeed, recent analysis has been critical of GDP as an adequate measure of economic growth and performance in modern, complex and mixed economies (Stiglitz et al. 2008). In the wake of the global financial crisis and Great Recession, Stiglitz et al. (2008: 8) argued that:

> to focus specifically on the enhancement of inanimate objects of convenience (for example in the GNP or GDP which have been the focus of a myriad of economic studies of progress), could be ultimately justified . . . only through what these objects do to the human lives they can directly or indirectly influence . . . it has long been clear that GDP is an inadequate metric to gauge well-being over time