

Re-Constructing the Global Network Economy: Building Pathways to Resilience in Local Economies

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Re-Constructing the Global Network Economy: Building Pathways to Resilience in Local Economies by Andrew Taylor and Adam Bronstone engages us into one of the most important conversations that we could have today from an economic, social or political perspective. The book reminds us of where we stand today as a society and offers us illustrative examples from case studies on how communities, social initiatives and businesses can thrive in a networked globalized economy where previous economic rules no longer apply.

The book builds on Andrew Taylor and Adam Bronstone's 2019 publication, *People, Place and Global Order: Foundations of a Networked Political Economy*, published by Routledge, and aligns with other critical works, such as Yannis Varoufakis' *Technofeudalism*. These texts explore the transformative impact of the convergence of technology and globalization on our economies and societies. Specifically, they examine how the rise of the networked economy has empowered digital platforms like Google, Amazon, Facebook and Apple, which have amassed significant control and altered the functioning of the economy and capitalism as we once understood them. In traditional capitalism, markets were supposed to be competitive, with multiple firms vying for profits by offering better products or services. Today this competition has been undermined by the monopoly power of tech giants, which instead of generating profits through competitive markets, they generate rents through their control over digital spaces. As the economy becomes more globalized and integrated into this networked economy model, the distribution of earnings as we know them and the share of power and resources is changing, being increasingly concentrated into the hands of a few tech companies who end up owning a market or a technology and amassing the largest share of the revenues. This model transforms markets and fundamentally changes how we work, redefining the connection between work and place by allowing work to be conducted from anywhere. It disrupts local economies, alters job roles and shifts social structures. While this brings opportunities and new tools to enrich our existence and knowledge, it also leaves many behind, hollowing out communities and pushing out of existence traditional forms of business and commerce.

The vote for Brexit and Donald Trump, the yellow vest protests (*les gilets jaunes*) in France, the growth of the far right in many corners of the world and support for autocratic rule, as Moisés Naím signals in his most recent books, *The Revenge of Power: How Autocrats are Reinventing Politics for the 21st Century* (2022), could be all read as signs of protest against economic systems that did not lift all the boats and failed to benefit most social groups. Andrew Taylor and Adam Bronstone weave together various strands of research and theoretical frameworks to examine these phenomena, offering an integrated



account of the forces at play and the underlying dynamics that have shaped these global trends. Through this synthesis, they provide a comprehensive understanding of the political, social and economic factors driving discontent and the complex interplay between globalization, inequality and the rise of populism and authoritarianism.

They examine how different societal groups, categorized by Chris Rose as Settlers, Prospectors and Pioneers, interact with these changing dynamics. Settlers, who value stability and tradition, may be wary of the disruptions brought by globalization and digitalization, whereas Pioneers are more likely to see these changes as opportunities for innovation and growth. Taylor and Bronstone argue that for local economies to thrive, there must be a meaningful engagement between Pioneers and Settlers. This engagement requires not only the sharing of Pioneer values, such as openness to change and innovation, but also the adaptation of these values to fit the local context, ensuring they resonate with the broader community. The analysis is further enriched by drawing on David Goodhart's distinction between "Somewheres" and "Anywheres." "Somewheres," who are deeply connected to specific places and cultural identities, often feel threatened by the placeless, global nature of digital networks that tend to benefit the more mobile and cosmopolitan "Anywheres." Taylor and Bronstone's case studies illustrate how local economies can bridge this divide by using global networks to strengthen, rather than weaken, local ties and identities.

In "Re-Constructing the Global Network Economy: Building Pathways to Resilience in Local Economies," Taylor and Bronstone challenge traditional economic theories and distinctions by introducing new concepts that better reflect the realities of a networked, globalized economy. Central to their argument is the importance of relational capital – the ability to create value by pooling resources in a networked, non-hierarchical manner. Taylor and Bronstone illustrate this through examples like EduCab, an NGO initiated in Romania focused on empowering local communities by enhancing public libraries and educational institutions, fostering development through improved access to information and stronger connections between local and global networks, emphasizing the systemic nature of transformational entrepreneurship, where entrepreneurs use social networks to create positive feedback loops, connecting local and global networks. They argue that local economies are not merely passive players in the face of globalization but can actively shape their futures by strategically engaging with global networks. However, they caution that this requires a careful balance between leveraging global opportunities and maintaining local identity and autonomy. The authors stress that fostering local resilience involves intentionally connecting forward-thinking Pioneers with Settlers who value stability and tradition. Success in this networked economy hinges on transforming relational capital into a platform for disseminating Pioneer values while harnessing the collective agency of the community to drive meaningful change.

The concept of relational capital is central to the authors' framework. Relational capital refers to the networks of relationships, trust and social connections that exist within a community. It is the glue that holds a community together and provides the foundation for collective action. However, Taylor and Bronstone argue that relational capital alone is not enough to drive transformational change. It must be complemented by territorial capital, which includes the physical, cultural and economic resources that are specific to a locality. The authors suggest that when these two forms of capital are effectively combined, they can create a powerful engine for local development and resilience.

The concept of resilience, as Taylor and Bronstone develop it, is multifaceted. It is not just about withstanding shocks but also about building systems that are adaptable, innovative and capable of learning from both successes and failures. The authors draw on various theoretical frameworks, including Argyris' learning loops and Snowden's Cynefin model, to argue that

cognitive flexibility is crucial for thriving in a networked world. They advocate for a shift in mindset from rigid, traditional economic models to more dynamic approaches that embrace uncertainty and change as inherent to the global network economy.

The case studies presented by Taylor and Bronstone in *Re-Constructing the Global Network Economy* – specifically those of Cluj, EduCab, Boulevard and Jacksonville – serve as practical illustrations of the book’s central themes. In Cluj, the effective pooling of relational capital has been pivotal in fostering entrepreneurial ecosystems, leading to the creation of overlapping social networks that bolster local resilience. Similarly, EduCab, successfully harnessed relational capital to empower local libraries and communities across rural Romania, though its efforts remain emergent in establishing broader systemic impacts. Boulevard Brewing in Kansas City exemplifies how a business can integrate community values into its operations, creating positive feedback loops and solidifying its role within local networks. However, the Jacksonville case stands in stark contrast, where the failure to build sufficient relational capital among stakeholders led to the collapse of a redevelopment project, highlighting the critical importance of shared vision and collaboration for success in such initiatives.

However, while Taylor and Bronstone offer an optimistic vision of how local economies can leverage global networks, their approach also warrants critical scrutiny. Their emphasis on the transformative potential of relational and territorial capital may underestimate the structural power imbalances inherent in the global network economy. The concept of technofeudalism, as articulated by Yannis Varoufakis, highlights the risks of concentrated power within digital platforms, where a few global tech giants exert control over vast swathes of economic activity. While Taylor and Bronstone acknowledge these risks, their solutions – focused on local stewardship and community engagement – may not fully address the scale of the challenge posed by such concentrated power.

Moreover, the authors’ focus on the pooling of resources and shared values among Pioneers and Settlers is an idealistic vision that may not always align with the realities on the ground. Not all communities have the same capacity to engage with global networks or to pool their resources effectively. The case studies presented in the book, while illustrative of successful engagement, may not capture the full spectrum of challenges faced by communities that lack the necessary infrastructure, social capital or economic resources to replicate these successes.

Moreover, the book’s emphasis on cognitive flexibility and adaptability, while valuable, may also overlook the very real limitations faced by many local communities. Not all localities have the resources, infrastructure or social capital needed to effectively engage with global networks on their own terms. The authors’ case studies, while insightful, primarily focus on examples where local resilience has been successfully cultivated, which may give a somewhat skewed impression of what is possible. Many communities struggle to maintain their autonomy and economic viability in the face of overwhelming global forces.

Re-Constructing the Global Network Economy is a deeply insightful and thought-provoking book that makes a significant contribution to our understanding of how local economies can navigate the challenges and opportunities of globalization and digitalization. Taylor and Bronstone’s integration of relational and territorial capital into their analysis provides a valuable framework for thinking about local resilience. However, their optimistic vision of transformational change through the engagement of Pioneers and Settlers must be tempered with a critical awareness of the broader structural forces at play in the global network economy. This book is essential reading for scholars, policymakers and practitioners who are concerned with the future of local economies in a rapidly changing world, offering

both the analytical tools and the practical strategies needed to foster resilience and sustainability.

Taylor and Bronstone make a significant contribution to advancing the collective understanding among scholars, practitioners, community workers and policymakers that want to make a difference regarding the mechanisms by which local economies can cultivate resilience and sustainability within the contemporary economic paradigm characterized by intricate global interconnections. Their work underscores the critical role of both relational and territorial capital while also engaging with the emerging forms of social differentiation and cleavages that are increasingly shaping societal structures. Through the provision of a comprehensive analytical framework, they present practical strategies aimed at fostering more robust and adaptable communities, capable of navigating and thriving within the complexities of the global networked economy.

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