The Advantage of Using Strategic Foresight in Leadership Networking Throughout the Global Gentrification Process

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Abstract: Research notes that while gentrification has been established and trendy in the U. S., its influence has traveled beyond U. S. inner cities to locations worldwide. The study reveals that gentrification has been embraced as a global urban strategy, connected to how countries can decrease poverty and increase economic growth in underdeveloped communities. The study has linked this new global urban strategy to what is termed new urbanism. Gentrification has affected the population by revitalizing abandoned houses, commercial buildings, and empty lots in low-income communities. With the introduction of investors, developers, and affluent potential residents eager to invest and purchase, these communities create potential new businesses, jobs, and careers while increasing property value and tax revenue, benefitting the community and its low-income residents, the city, and the population overall. Studies also note that with the revitalization of these communities, they often become welcomed tourist destinations among the broad population. Many studies have demonstrated that well-educated and affluent suburbans are relocating to inner cities, where low-income persons and families have resided for decades. This new segment has increased investment and development by investors and developers of small and global businesses seeking to generate new profits. With these new expansions, studies show that investing and developing leaders are receiving resistance and conflicting with communities' long-time residents, community leaders, local businesses, and organizations. This resistance is causing developers and investors to lose time and money and receive negative publicity due to protests and negative press. This study will demonstrate a strategic approach that leaders can utilize to address conflict before, during, and after the gentrification process utilizing networking. The article will also address the importance of networking and its use of crystalized communication to dissolve conflicts and issues arising during gentrification with developers, investors, community leaders, and community residents. The article will demonstrate how utilizing strategic foresight will assist leaders in predicting the possibility of these negative encounters and planning in advance for resolutions.

Keywords: Gentrification, Strategic Foresight, Networking, Crystalized Communication

1. Introduction

From its inception, gentrification has been the subject of debate as it seemed only to serve the good of those affluent individuals with the power and wealth to change communities. The German-British sociologist Ruth Glass introduced the term gentrification to communicate the occurrence of middle-class individuals and families buying homes in working-class communities in London in the 1960s [1]. As those communities developed and advanced, prices of homes, rent, products, and services rose, making it impossible for the original working-class individuals and families to live in them. These working-class people were forced to leave the communities they had dwelled in for decades because of increases brought on by the influx of affluent residents. In the United States, gentrification has also produced the same results, but its working-class and lower-class communities are primarily minorities, with Blacks making up the highest percentage of the lower class at thirty percent [2]. Like the U. S., many countries have low-income communities experiencing underdevelopment, high vacancies, crime, and many of the same issues as the U. S. For other nations, Atkinson notes that gentrification functions as a positive method to reinvest in the social and physical foundation of depreciated communities and bring new life to a community and city. Atkinson adds that gentrification in other nations is

usually twofold because it is not only primarily built on race, but they use a class system.

Research has demonstrated that gentrification reverses urban decline and brings new benefits to cities through a growing tax base, increased socioeconomic integration, and improved amenities [3]. Studies also add that this occurs by introducing high-income and college-educated individuals who have increasingly chosen to live in central urban neighborhoods. The research also states that homeowners in these low-income areas benefit from the increase in home value and the opportunity to sell at a rate far beyond the initial value. The below graph demonstrates how many low-income communities have increased in value because of gentrification [4].
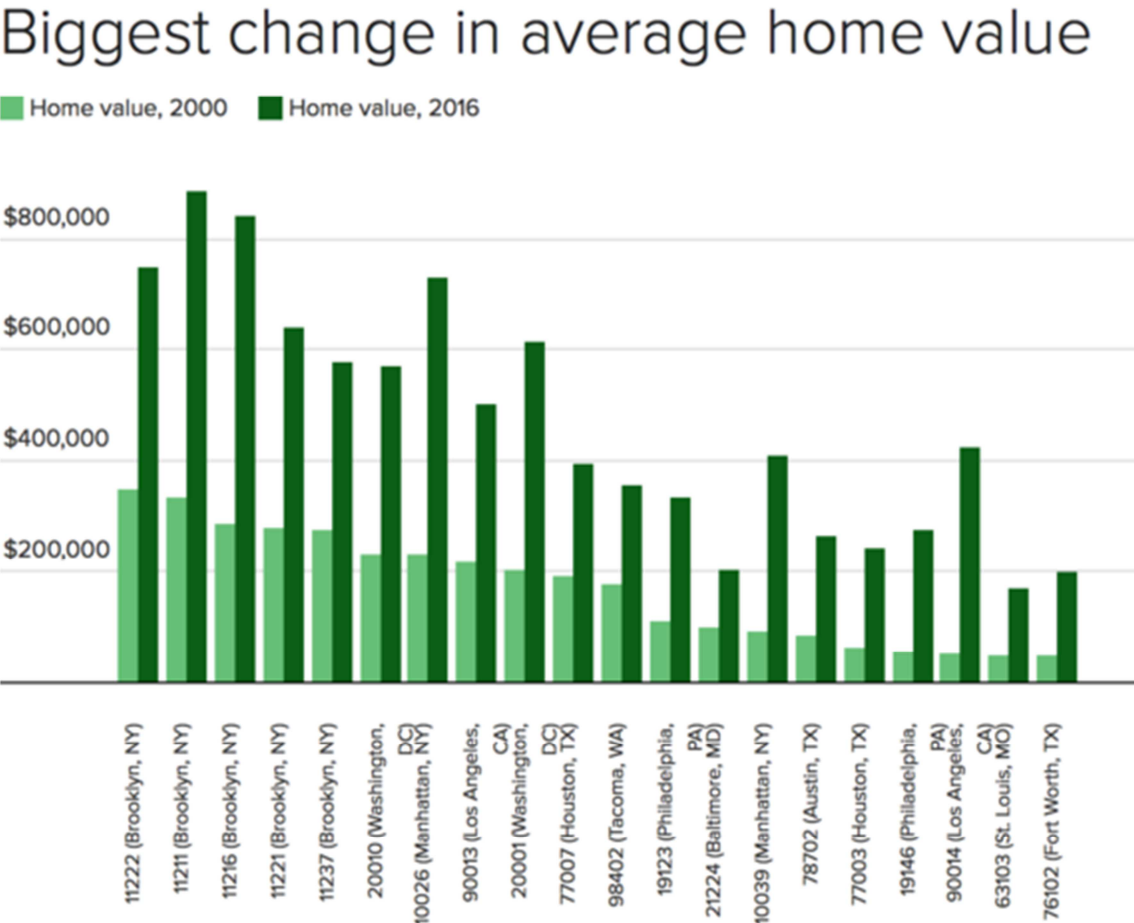

Figure 1. Home Value Increases.

The study also indicated that low-income residents benefit from gentrification through long-term educational achievement and earnings of resident children and the improvement of the mental and physical health of adults in those communities.

Gentrification signifies capital investments, economic growth, employment, and diversity for communities and cities. While most merely think of gentrification benefiting the real estate sector, its reach and effects go far beyond just that sector. The retail, food, hospitality, construction, and education sectors all benefit from the introduction of gentrification. Communities also benefit from city initiatives that assist with renovating parks and streets and adding signals and lights. Existing homeowners benefit from the increased property value gentrification produces. The city benefits from property tax increases due to increased value. All residents benefit from the decline in the crime rate gentrification creates. Lastly, gentrification transforms homogeneous communities into diverse representations of various cultures represented in the city and state. Not only do these new communities add diversity, but the new mixed-income levels have been connected to a decline in the poverty rate by at least three percentage points. This new poverty rate reduces poverty exposure to long-time minorities and new residents. While these benefits may appear to be a "win-win" for current and new residents, gentrification also has other alarming effects.

Emily Drew displays in her research that gentrification does not benefit the original resident of low-income communities but, in vast numbers, causes a displacement of original residents because they can no longer afford to live in their neighborhoods [4]. The study adds that most original residents, which tend to be low-income, complain about a lack of community and a loss of a feeling of home when their new affluent neighbors. Gentrification does affect not only the original residents in low-income communities but also local minority businesses that exist within those communities.

While communities undergo modifications due to gentrification, low minority-owned businesses also experience those effects. With the new development, local businesses have difficulty remaining in business and meeting their obligations, such as rent and other business-related expenses, because of higher rates and lack of capital to develop their businesses. Studies have identified that one of the main factors low-income communities have publicized was the inability of developers, investors, and business leaders to communicate throughout gentrification, leaving them at odds.

2. Methodology

This research article discusses the consequence of networking and communication in combatting the adverse effects of gentrification through qualitative research. The qualitative research examines relevant publications and case studies addressing the leadership challenges of expanding in gentrified communities. After determining the research characteristics and the study's objective, the researcher began searching for relevant publications using some keywords relating to gentrification, strategic foresight, and networking. There are limited researchers that have looked into this correlation. The researcher used published research papers, business publications articles, and book chapters to discuss gentrification communication networking challenges.

Few studies identify the importance of networking and communication in gentrification. The majority of gentrification research focuses on the post-gentrification effects, such as those mentioned in this study. The urgency of this study is critical in creating a resolution to issues investors, developers, leaders, and low-income community residents face when gentrification is introduced. Studies, such as the National Community Reinvestment Coalition (NCRC), demonstrate that gentrification grew and intensified in America's largest cities [5]. With this growth and intensification, developers will continue to conflict with low-income residents and their leaders as they try to grow in communities that are not welcoming.

2.1. Discussions on the Challenges to Gentrification

Many nations, including the United States, lack federal or local gentrification legislation. Many nations deflect criticism by utilizing terms such as urban renaissance, urban revitalization, urban regeneration, and urban sustainability and refraining from the word gentrification [6]. Utilizing these terms and the lack of governing legislation leaves investors, developers, and their leadership to create operating and governing policies that often benefit their organizations but do not include current community residents' or businesses' needs and desires. This lack of consideration and transparency initiates these low-income communities to resist vocally and physically during their business development process to oppose the impact of gentrification and remain in their communities. This opposition is accomplished through different methods.

2.2. Opposition Through Litigation

As stated, no gentrification legislation exists in the United States and other counties. Still, minorities have been able to utilize litigation as a valuable tool for demonstrating possible bias issues and practices. The rights of minorities have been gained through civil rights litigation in numerous sectors, such as housing, employment, education, etc. [7]. Litigation has also found a place in the war against gentrification to protect the right of low-income minorities and their businesses against displacement. Where there has existed a lack of policies and legislation concerning gentrification, advocators and litigators have discovered other regulations to assist low-income minority residents in stopping gentrification. Weinstein notes that advocates have used zoning litigation to force developers to designate percentages of their new developments for low-income individuals and families and the preservation of small minority businesses [8]. The study also notes that zoning litigation has been successfully utilized in several cases, such as Town of Middleborough v. Housing Appeals Committee, and has also been the foundation of the creation of legislation such as the Massachusetts Low- and Moderate-Income Housing Act [9]. Other successful litigation has included using Environmental Impact Statement (EIS).

EIS states that if an anticipated federal action is determined to significantly affect the quality of the human environment, the government can oppose that action [10]. Advocates have successfully litigated using this law, demonstrating how luxury development will adversely affect the quality of life of low-income residents in these communities.

Litigation has reduced, postponed, and even halted investors, developers, and business leaders' proposals to develop in low-income communities. Litigation has proven to be very costly and time-consuming for developers and investors, especially with the introduction of community development attorneys seeking to invoke the rights of low-income residents [11]. Research has shown that the average timeframe for a civil case is two to three years. Developers' plans are placed on hold, and most are forced to abandon their business pursuits.

2.3. Opposition through Protest and Negative Public Relations

Protest and the use of negative public relations (P. R.) campaigns have been utilized to bring awareness of gentrification's negative impact on low-income communities, investors, developers, and corporations. These tactics have proven to be effective in embarrassing these leaders and their organizations in the eye of the public and hurting the perception of their brand and image.

The Anti-Deformation League notes that protesting can influence public view and perception, expose and share information about a perceived injustice, and connect individuals to a cause, which can broaden their audience for the cause [12]. Maharawal notes that in San Francisco, Facebook, Google, and Yahoo were at the center of a gentrification protest, where thousands of protestors

demonstrated at their corporate headquarters [13]. These protests hurt the corporations' image in the city and region and slowed deliveries, employees' entrance to buildings, and traffic. In Berlin, Papen documented that the protests were not as overt, but through street and graffiti advocate artists using the city as a canvas for their views and ideas, developers' intentions were made public [14]. The study noted that political graffiti, posters, and flags were just as effective in protesting and negative P. R. as physical protests.

These tactics have proven effective for low-income community residents, leaders, and local businesses. However, after successfully deterring gentrification, communities are left battling the same environmental and economic issues previously faced before the gentrification process. Recent data revealed that these low-income communities experience a poverty rate of over thirty percent. This level of poverty led to elevated levels of vacant, underutilized, and abandoned commercial and residential buildings [17].
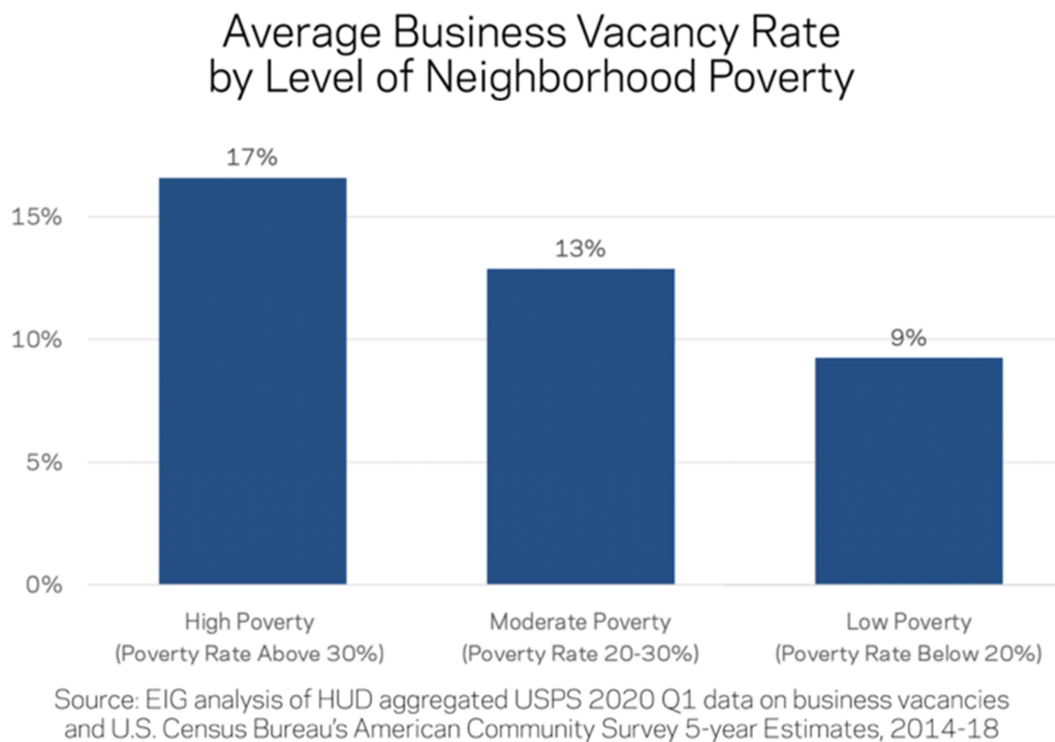

Figure 2. *Business Vacancy Rate.*

3. Results and Discussion

3.1. What Actions Can Business Leaders Select to Gain Community Support

Strategic planning has become a hallmark of many organizations. Organizations plan from the present to the future to maintain and increase profitability and market shares. When environmental conditions are steady and reliable, strategic planning is often effective. Unfortunately, this is usually not true for most organizations that encounter uncertain environmental conditions. Strategic foresight enables leaders to plan from a future projection back to the present without offering conclusive reactions about the future [16]. Based on current trends and likely scenarios, strategic foresight allows leaders to prepare for the future rather than predict it. Given the present gentrification trend, leadership from investors and developers can formulate a strategy before entering into low-income communities. When facing uncertain conditions, such as the impact or reaction to gentrification, strategic foresight serves as an excellent tool to assist in navigating indefinite conditions. To assist leaders in their reasoning, strategic foresight utilizes Mental Modes.

Mental Mode One addresses planning based on current conditions, which is how most leaders plan and prepare. The questions are focused on "The Now." Gentrification investors and development leaders often use this mode in low-income communities.

Figure 3. *Mental Mode One.*

While Mental Mode Two focuses on future conditions and possible scenarios, focusing leadership's attention and questions on "The Next."
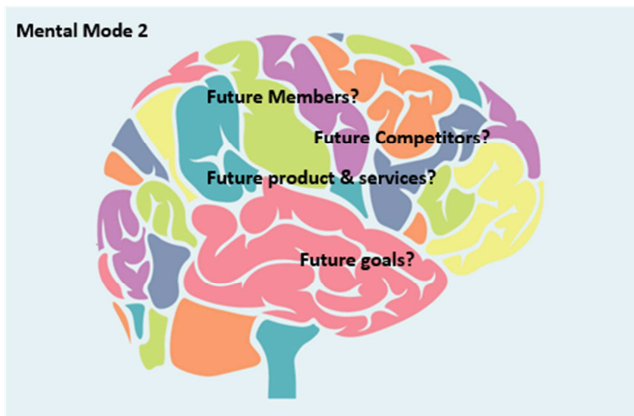

Figure 4. Mental Mode Two.

Using strategic foresight, leaders ponder future scenarios and possible conditions to develop strategies to assist in the current. Strategic foresight in gentrification allows leadership to prepare and plan for possible conflict and have resolutions in place to address arising issues.

Despite how well leaders can utilize foresight methods and tools to develop seamless plans to lead them into the future, it will not work if it is not communicated successfully. This communication must include networking between developers, investors, community organizations, and their leadership.

3.2. Networking and Crystalized Communication

Lees and Ley note that the lack of transparency and communication is one critical issue that creates opposition to gentrification, fueling protest, cease and desist, and community unrest [18]. They also note that gentrification has become an active part of public policy, and its information, development process, and other critical factors should be shared among all affected by its process. The inclusion of all parties in the gentrification process can transpire with the introduction of networking.

Richard states that networking is the method of communicating with others to develop relationships that can be used for mutual gain [19]. Richard also notes that networking can result in connections with individuals who can communicate information and insights related to their areas of expertise. To effectively network, leaders must possess the ability to communicate with various levels of individuals successfully. Luthra noted that communication skills are among the most crucial skills a leader should possess [20]. The study also noted that leaders spend seventy to ninety percent of their time communicating with stakeholders, internally and externally. With this much time expended on communicating, it is critical that leaders communicate so that stakeholders, which for gentrification will include long-time residents understand and can successfully respond.

Gentrification has proven to have many complexities and phases, and they affect various parties. To avoid conflict with long-time residents, community organizations, and leaders, it is critical that developers and their leaders network with them throughout the gentrification process. It is also vital that developers and leaders communicate in a way that is easily understood and void of complexities. If the information the community receives appears complex or difficult to interpret, other stakeholders will likely share this view and oppose development. Wolhandler outlined ten ways leaders can transform complex issues and information into information listeners can easily digest [21]. Wolhander's transformation included:

1. Using analogies and metaphors to assist in converting obscure or abstract perceptions into real-world situations.
2. Consult experts or insiders when unsure of an industry's concepts or models. Rather than just reading or researching, leaders can gain new insight by hearing information directly from those who practice in and understand the industry and information.
3. Along with analogies, leaders should tell a story and personalize the content to make it more relevant and easier to understand.
4. Often leaders explaining gentrification have a personal connection to the information. That personal information should be shared with the audience to witness the connection between the content and the people it affects.
5. Transforming a complex concept or theory means leaders must share its history to create a timeline between what has occurred in the past and what it has become. The story behind gentrification will aid in explaining and understanding its effects on today's environment and culture.

3.3. Networking: Listening and Promoting Feedback

Leaders should demonstrate an interest in the opinions and ideas of others, which builds trust and connections. This makes communication more collaborative and receptive. This article and much of its data have demonstrated the importance of each stakeholder in shifting or modifying the path of gentrification. The input of various viewpoints has led to essential strides in adding low-income residents, minority business owners, and church leaders to join in the gentrification conversation. Input is only received when leaders shift from talking to listening.

Leaders must listen actively, support, and share feedback to create a trusting relationship with stakeholders, inspiring them to share and participate [22]. Listening to and making stakeholders part of the process encourages commitment, loyalty, and participation, which are the elements leaders need to aid in moving their agenda concerning gentrification.

Crystalized communication through implementing communication guidelines will help both sides of gentrification convey their message while gathering the support and collaboration of others. The data in this article has demonstrated the many perspectives and viewpoints on gentrification. Proper networking and communication can

encourage support, dialog, and stakeholder collaboration to achieve organizational and community goals.

4. Results

Networking and crystalized communication have resulted in established community-appointed councils and developers creating agreements that benefit the communities and developers. These networking agreements have encouraged community members and groups to support developers' and developers' promises in writing to provide local employment and affordable housing and improve the community [23]. Studies have also revealed that networking and communication have created contracts that assist in ensuring greater equitability in development, more significant benefits, and opportunities for existing minority residents threatened by gentrification and displacement [24]. These results suggest that networking and communication have benefitted all gentrification parties while also benefitting the communities with new businesses and employment and the cities with improved property values and tax revenue.

5. Conclusion

The study revealed that networking and communication are essential in diverting negative conclusions from the gentrification process and the parties involved. On this basis, future research should continue to examine the ability of networking and communication to benefit the gentrification process and expand the study to multiple regions.

Low-income communities in the U. S. and abroad are expected to continue to experience the effects of gentrification as it continues to be a popular trend in today's society. For many low-income residents and community businesses, information on gentrification is disheartening, while help and information through it is often insufficient.

Research has shown that when most low-income residents or local businesses hear or see that gentrification is coming, they utilize combatting methods to address gentrification, often to the detriment of investors, developers, and future organizations. While these negative methods have proven effective, other methods can be employed by investors and developers to deter negative behavior and provide a mutually positive outcome for all.

Strategic foresight assists leaders in predicting the possibility of these negative encounters and planning in advance for resolutions. Strategic foresight enables leaders to develop scenarios and determine possible outcomes to combat possible adverse outcomes. Strategic foresight improves leaders' thinking about gentrification and all associated issues. Research has revealed that gentrification could be embraced in many low-income communities if all parties revealed accurate and timely information through adequately communicating.

Leaders also use networking to share information with all groups and ensure that this information is communicated correctly. Networking utilizing crystalized communication will assist both sides of the gentrification discussion in conveying their message while gathering the support and collaboration of others. Proper networking and communication encourage support, dialog, and collaboration so that all groups involved in gentrification are heard, understood, and part of the process.

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