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**Long Finance launches:  
“The Great Game: Clustering In Wholesale Financial Services”**

**Part of the Long Finance programme *Financial Centre Futures*  
Sponsored by Qatar Financial Centre Authority**

**London, 27 June 2011** – Dr Malcolm Cooper’s paper “The Great Game: Clustering in Wholesale Financial Services” offers a unique perspective into the development, growth and sustainability of global financial centres in the post-crisis world. It explains why London and New York became so dominant, why they have been able to maintain their positions and the very real threats they now face.

Some key findings of the paper are:

- The information technology infrastructure is critical to the success of financial services, who are amongst the largest and most sophisticated users of IT systems, but it is a “hygiene issue” not a source of competitive advantage.
- Face-to-face communication is – and will remain – a key factor. For financial clusters to succeed they must have excellent transport infrastructure internally but also with other financial centres.
- People are the most important factor and centres need to be able to attract the top talent. This is not just about remuneration, though financial services companies will continue to pay handsomely for the best people, but also the built environment and social factors such as culture and education.

Dr Cooper’s analysis of today’s financial centres is rooted in his understanding not only of their historical emergence *geographically*, and *politically*, for instance, in London, from the City coffee shops of the 17<sup>th</sup> century; but also in certain *behavioural* traits of financial services professionals, who he likens to those of the Swiss pike men who dominated Western European battlefields in the 15<sup>th</sup> and 16<sup>th</sup> centuries (both being groups of professionals with highly sought after skills whose rarity allowed them to command premium rates).

Launching the paper at a round table discussion at Gresham College Professor Michael Mainelli, Director of Z/Yen Group, said: “Malcolm reminds us that an industry which makes money from volatility only thrives in conditions of stability, particularly political, regulatory and tax certainty. For policy makers in aspiring financial centres, the gauntlet that Malcolm throws down is to create a stable regime while growing. For policy makers in leading financial centres, Malcolm points out that financial clusters are theirs to lose. The challenge is larger for the aspiring, but in today’s climate a few leading centres seem to have policy makers who want to lose. For both, Malcolm’s paper should be required reading.”

NOTES TO EDITORS

**About Long Finance** – [www.longfinance.net](http://www.longfinance.net)



Established in 2007, Long Finance aims to improve society's understanding and use of finance over the long term by hosting and promoting a series of lectures, discussion events and research publications. The initiative began with a question – “when would we



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know our financial system is working?” – and seeks to challenge a financial system that revolves around short-term thinking and practices.

The Financial Centre Futures’ publication series comprises the Global Financial Centres Index, which measures and assesses the competitiveness of existing financial centres on a bi-annual basis, thanks to input provided by nearly 2,000 financial services professionals worldwide. Other in-depth research papers in this series will explore the potential factors likely to engender major changes to the structure of the financial system over the next 100 years.

### *About Qatar Financial Centre Authority – [www.qfc.com](http://www.qfc.com)*



Qatar Financial Centre (QFC) is a financial and business centre established by the government of Qatar in 2005 to attract international financial services and multinational corporations to grow and develop the market for financial services in the region.

### *About Gresham College – [www.gresham.ac.uk](http://www.gresham.ac.uk)*



Gresham College is an independently funded educational institution that has delivered free public lectures for over 400 years. It engages those who live and work in the City in intellectual debate on subjects in which the City has a proper concern.

### *About Z/Yen Group – [www.zyen.com](http://www.zyen.com)*



Z/Yen Group is a commercial think-tank founded to promote societal advance through better finance and technology. Z/Yen ‘asks, solves and acts’ on strategy, finance, systems, marketing and intelligence projects for clients in financial, commercial and social enterprises.