

LANCASTER
UNIVERSITY
Department of Geography



Lancaster University

Lancaster LA1 4YB
United Kingdom

Telephone (01524) 65201
Enquiries (01524) 593736
Fax (01524) 847099

Email: j.faulconbridge@lancaster.ac.uk

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‘Forces of concentration in European financial geographies’

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Report provided by Dr. James Faulconbridge (Applicant and Lecturer in Human Geography, Lancaster University) and Dr. Ewald Engelen (Dutch collaborative partner and Associate Professor, Faculty of Social and Behaviour Sciences, University of Amsterdam)

In what sense did the workshop meet its intended aims?

The primary aim of the seminar was to provide a forum where shared research interests could be discussed and future collaborations considered in relation to the topic of geographical processes of financial concentration and its different effects on financial centres within Europe. On the basis of an initial mapping of the relevant literature and

empirical field the applicants identified three causal mechanisms worthwhile discussing: liquidity, innovation and regulation. In order to structure the discussion the seminar was set-up around three sets of paper addressing the three mechanisms with participants asked to provide an extended discussion of these papers and their relevance to their research as a spur for wider group debate. These discussions allowed the theoretical aims of the workshop to be addressed as follows:

To examine linkages between market liquidity, financial geography and innovation

The importance of recognising liquidity as a socio-technical construction was noted. Consequently it became clear from discussions that studies need to focus upon the various actors creating liquidity and their socio-spatial variability. It was suggested that viewing liquidity as a time-space event would, therefore, be fruitful, something that points to the intricate connections between liquidity and the epistemic communities and regulatory influences discussed below. In addition, it was also suggested that we need to understand more about how different financial products require different forms of liquidity.

To explore the continued importance of 'place' to financial markets – geographies of trading communities

It was agreed that there are important relationships between traders, knowledge communities and finance, something that can be approached by asking 'does money follow the people or do people follow the money'? Discussions suggested that the former seems most likely. It was also clear that geographers need to move beyond the now tired face-to-face versus virtual communication debate and consider the complementarity of the two forms of interaction and the geographical significance of this. Again, the product-based view of finance promoted in the workshop led participants to recognise the differing role of innovation and communities in different contexts.

To consider policy measures in a financial centre's success and the impact of policy on wider European financial

Regulation, whilst given its own slot on the programme, repeatedly appeared in the discussions described above. It was emphasised that markets and finance are intimately associated with socio-political constructions and that states remain key actors. We should also recognise, however, that processes of globalization and the race towards

global best practice have led to complex forms of change in the way state-level regulation interacts with transnational governance. Future research needs to further consider this issue. It seems that, at the European level, the way states interpret and implement EU-level regulation is a particularly fruitful way of examining the ongoing process of regulatory negotiation.

The above discussions drew on the expertise of a multidisciplinary audience that was able to offer insights into the working of, amongst others, pension funds, hedge funds and mortgage markets in a variety of contexts (Amsterdam, London, Frankfurt and US financial centres). Consequently the empirical aims of the workshop were fulfilled by extended discussions of how we could understand these actors and the role of different financial centres using insights gained into the effects of liquidity, innovation and regulation.

Above and beyond the workshops formal theoretical and empirical aims, the event also provided the forum for enormously fruitful debates which culminated in the last session of the seminar when participants were asked to formulate all-encompassing research plans that might serve as a basis for future research collaboration. In a sense, this meant that the participants themselves had to summarize the insights they took from the debates. A number of conclusions can be drawn from the proposals that the groups made:

- First that there is indeed a widespread interest in finance-related issues among the different disciplines present, i.e. political science; human geography; cultural studies; international political economy. This should be drawn upon and developed in any future research. The participants emphasized the notion of interdisciplinarity in order to stress the need for a symmetrical conversation between disciplines over issues of conceptualization, research techniques and data selection. The title of the seminar suggested a multidisciplinary approach in which other disciplines would be subsumed under the overall aim of answering a basically geographical question, namely 'why do geographical processes of financial concentration affect financial centres within Europe differently'. However, as these processes of concentration are not merely geographical in nature but also economic, social and cultural, participants

indicated that it would be more effective to allow scholars to pursue their own disciplinary objectives whilst also contributing to geographical debates.

- Second, and related, it became clear that future collaborations would also have to include historical, economic and psychological perspectives. It was noted that there have been precursors of the current phase of financialization. Hence, it could be worthwhile, both to counter undeserved nostalgia and stay clear of a certain 'new new'- obsession, to compare the current condition with earlier ones. Even more crucial is the incorporation of finance experts. There is a growing body of literature of great econometric sophistication dealing with precisely the geographical issues that are of interest to the geographer. Nevertheless, in our view there is still a lot of work to do in unpacking or opening the black box of the individual agent, the presumed micro-foundation of most aggregated econometric analysis. The role of conventions, emotions, local and tacit knowledge in making financial transactions and exchanges needs to be investigated in much more detail than is currently undertaken. For that reason, future research collaborations will also have to include more recent psychological research into what is called behavioural finance.
- Third, it was noted that finance related topics, because of their dynamics, their transnational character, and their ability to link the global and the local are especially suited to wet the capacity for conceptual, theoretical and methodological renewal in the social sciences. The internationalization of finance and the financialization of economic and daily life are phenomena par excellence that invite the social sciences to shed the hidden premises of modernization theory on which they are (still) built and consider new conceptual frames for discussions.

It was agreed that by drawing on these insights, both in terms of the future research questions highlighted but also the benefits of interdisciplinary work noted, it would be possible to explore the geographies of European finance in an intricate and fine-grained manner. This would only be possible, however, if the overlaps between multiple processes influencing the geography of money can be teased apart.

What outcomes are expected from the workshop (publications, future conferences, new collaborations, planned projects)?

A number of short-term, immediate plans exist as a result of the workshop.

1. A commentary is planned for a leading geographical journal, outlining the discussions that took place during the workshop and the ways they can inform future thinking about financial geographies.
2. A further session on financial geographies at this summer's Global Conference on Economic Geography is planned with a number of the workshop's participants taking part.
3. The possibility of a further meeting in September is being pursued by the organizers of this event.
4. Discussions are ongoing about strategies for developing a future research proposal (possibly under FP7) based on the ideas voiced by participants of the workshop. Here a number of overlapping themes might be explored including history, regulation and institutions, social construction of risk perceptions; financialization of daily life; the composition of the welfare state (capitalized pensions versus pay as you go pensions); local-global linkages; household-corporate linkages; financial innovation as the attempt to create illiquid niches; unequal development effects of liquidification, within cities, within nation states, between nation states, between regions; restructuring of the welfare state; liquidifying former state-socialist countries (new accession countries); urban renewal; liquidification of infrastructural projects.

Consequently, it seems highly likely that future collaborations will take place as a result of the workshop with a number (Faulconbridge and Ewald writing a commentary; Millo and de Goede collaborating to arrange another informal seminar) already in planning.