

Ireland, and Canada are selected for their historically divergent varieties of capitalism and more recently variegated exposure to economic crisis and marketization. Using official sources and supportive documents such as budget briefs, auditors' reports and those produced by special commissions and consultants, news backgrounders, government announcements, and speeches to the legislature, this paper will uncover how avenues for privatization and financialization are created through budgeting procedures, new or different revenue composition and fiscal governance, and the ideational framing of burden and responsibility redistribution (particularly vis-à-vis indebtedness and social reproduction).

Financialisation of Charity: Turning Sadaqah into Credit for the Urban Poor in Istanbul

Umut Kuruuzum - London School of Economics | **Çagla Diner** - Kadir Has University Istanbul

Our proposal is to place peripheral financialization within the context of microfinance, a financial technology advancing the reach of credit into poor households by using social bonds and kin network as collateral. The research is based on multi-sited ethnography following the microfinance from financiers, the microfinance institution in Turkey called TGMP (Turkey Grameen Microfinance Programme), to the loan takers, women who do not have access to credit in the formal financial system in Istanbul. First, we focus on TGMP as an institution and explore how microfinance programme entangles with the Turkish political and economic landscape. The institution whose main objective is poverty alleviation started its activities in 2003 with the support of the AKP government. Instead of sadaqah (charity) and direct state support as a solution to poverty, the programme emphasizes that the poor should pull themselves out of poverty through entrepreneurship. Then, we studied how microcredit is empirically incorporated into people's everyday life in the two neighbourhoods of Istanbul – Karagümruk and Tarlabasi. In most cases, we have found that credits were spent on daily necessities for life – food, clothing, doctor's bills, weddings, food, and rent. At this stage of research progress, we argue that far from turning women into entrepreneurs to pull themselves out of poverty, microfinance turns household into a site of accumulation and debt. In contrast to its objective of poverty alleviation, TGMP acts similar to a bank in minimizing the risk of default and maximizing the sale of credit. However, as different from a bank, the institution finances itself through charity, acting in contradiction with the discourse it utilizes.

Session

Financialization, uneven regional development and labour

Michael Miessner - Georg-August-University of Goettingen | **Stefanie Huertgen** - Universität Salzburg

The financialization of the economy has been widely discussed in academic discourse since the economic crisis that erupted in 2007. Already 2008 Pike and Pollard (p. 30) emphasized 'that financialization provides a strong impetus to embed finance in the heart of our understanding of economic geographies'. Nevertheless, the crisis also demonstrated important limits of recently very influential regional development approaches stressing endogenous resources (Hadjimichalis and Hudson 2014). In sum, it can be said that studies on regional uneven development and financialization remain limited, and in particular regional work and production – once at the forefront of regional development theory – still need more attention.

Ten years after Pike and Pollard's analysis, we would like to investigate the implications of financialization for regional development, with a special focus on labour and production processes.

We invite papers focusing the following or related issues:

- (1) Is financialization a 'profoundly spatial phenomenon' as French et al (2011: 800) argue? Hence, how can we investigate the spatial implications of financialization?
- (2) How is financialization connected to the production and labour process? What does this mean for 'labour geographies' (Herod 1997)?
- (3) How are labourers included in the financial system? Does the growing 'debtfarism' (Hembruff/Soederberg 2015) of labourers implicate any spatial consequences?
- (4) What do the financialization of the production and labour process as well as the inclusion of labourers in the financial system entail for regional development? What kind of 'spatial division of labour' (Massey 1995) do we face?

Labour, financialisation of housing and the rescaling state in Hungarian second-tier cities

Márton Czirfusz - Hungarian Academy of Sciences | **Ágnes Gagyi** - University of Gothenburg | **Tamás Gerócs** - Hungarian Academy of Sciences | **Csaba Jelinek** - Hungarian Academy of Sciences | **Tibor T. Meszmann** - Central European Labour Studies Institute | **Zsuzsanna Pósfai** - Collective for Critical Urban Research

Global cycles of capital accumulation are driving uneven development on various spatial scales. Our paper addresses how this process is articulated in Hungary. We focus on the points of juncture between the new spatial divisions of labour resulting from

the post-crisis global industrial relocation, the financialisation of housing, and the way the state mediates capital-labour relations. Geographically, we focus on second-tier cities in Hungary defined as intermediate spaces in uneven national accumulation processes. We apply the concept of 'intermediate spaces' to various aspects. First, in the production process, enterprises located in these cities are typically in lower hierarchical positions in global supply chains, employing a larger share of unskilled labour. Fluctuations in the production process result in a larger pool of the industrial reserve army, or more precarious employment relations in segmented local labour markets, as well as more profound out-migration processes. Second, second-tier cities are spaces where the housing market fluctuates the most, according to the availability of housing credit and of related state subsidies to homeownership. In these places the volatility of housing financialization can best be grasped. Labour market intermediaries increasingly link the aspect of labour and housing by investing into real estate, in order to offer a place of living for their employees, and to invest surplus capital. Third, the rescaling state mediates between global and local forces. On the one hand, public policies mobilize and discipline the reserve army by a mix of interventions into housing, labour market, and policing. On the other, the state incorporates the sometimes colliding interests of domestic and international fractions of capital in its ongoing negotiations in the accumulation process. Moreover, the shift in the international arena from predominantly Western industrial interests to more diverse fractions pushes the state to operate in a new intersection of global dependencies.

Financial investors and the new spaces of insecurity

Christoph Scheuplein - Westphalian University of Applied Sciences

Private equity is a buy-to-sell business model, and the new owners of companies that have been taken over are investors whose business objective is to resell the company at as high a price as possible. The presentation focuses on the automotive supplier industry in Germany to illustrate the extent to which financial investors have taken over companies in the past 15 years. Many companies have entered a cycle of uncertainty: many of them have been taken over by financial investors several times; a large number of companies have gone bankrupt; and the exits of financial investors have attracted a large number of owners from emerging markets. Private equity is a form of investment that releases the companies from their regional production commitments in various different ways. The presentation draws on interviews with works councils to show how this puts employees in a state of permanent insecurity.

Capital and spatial shifts in the era of financialisation

Costis Hadjimichalis - Harokopio University Athens

The paper discusses the *longue durée* of uneven geographical development in Europe, which, since the late 1980s, is marked by several capital and spatial shifts under the dominance of financialisation. Among them, I mention the shift from productive activities towards rent seeking activities; a global shift towards the Far East; an intra-European shift from southern regions to former socialist regions; and an inter-regional shift towards mainly urban agglomeration. These shifts transform socio-spatial relations and produce new victims, the new precarious classes, while established centers of command and control retain their strength and power.

Session

Global Finance, Development and the New Peripheries

Leigh Johnson - University of Oregon | **Patrick Bigger** - Lancaster University | **Stefan Ouma** - Goethe University Frankfurt

This session examines the significance of financial relations and transactions in spaces of the global South that have typically been figured as "marginal" to, if not altogether excluded from, the operations of global finance. As finance relentlessly seeks to identify further spatial fixes and revenue streams, this session will probe the particularities of integration. What assemblages and legacies – (post)colonial and otherwise – characterize these spaces? What are the regional coordinates of integration, and the concrete social, political and material landscapes it produces? The optic of "peripheries" – with its roots in dependency theory – highlights the relations of power, subordination and exploitation produced through finance's expansion and experimentation at its frontiers. As certain places are linked to global flows of capital, they can become peripheralized in new ways. Yet as some "financial innovation" originates in the South and travels to the global North (e.g. mobile money and microfinance) and the South more generally becomes a source of capital (e.g. sovereign wealth or pension funds), existing understandings of peripheralisation must be reexamined. How can the dependent and extravered notions of development suggested by the term "periphery" be reworked to make a place for heterogenous forms of economic self-fashioning? How might other concepts such as extraction, dispossession, value grabbing, disarticulations and expulsion help render intelligible the new peripheral operations of finance and the place-making projects that emerge from them? We especially invite papers making conceptual advances using empirical cases on topics including but not limited to: Financial inclusion and adverse incorporation; New sites of experimentation and product