

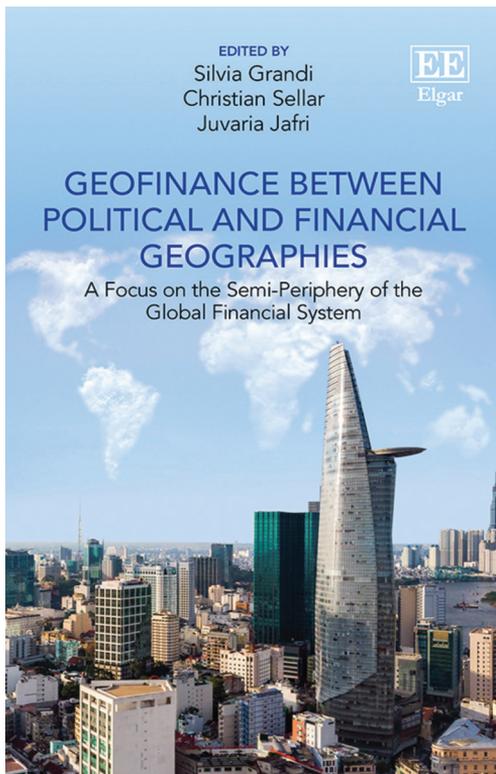
**Grandi, S., Sellar, Ch. and Jafri, J. (eds.): Geofinance between Political and Financial Geographies: A Focus on the Semi-Periphery of the Global Financial System.** Cheltenham–Northampton, Edward Elgar, 2019. 264 p.

Since the early 2000s, debates revolving around the global economy focused on powerful processes of the reorganisation of production processes and the emerging new global division of labour, the complexity of social relations underpinning those, the rise of new economic cores, and the unfolding variegated landscape of the current capitalist regime (HUDSON, R. 2016; PECK, J. 2016). Financialisation shifted in the score of such discourses due to the enhanced scale of capital flows and transactions between national and regional markets, the apparent role of financial capital in driving globally organised production, and the penetration of global financial processes in all realms of social relations and everyday life. Accordingly, inquiries on financialisation were extended spatially and focused not only on national institutional-regulative contexts and the interplay local markets and global capital flows, but endeavoured to grasp the multi-scalar and relational nature of financialisation (DUMSKY, G.A. 2018). The 2008/9 financial crisis

exhibited the multiplicity of agencies in financial processes and the need to relate processes inside and outside financial markets, such as the power of global financial centres, insular financial practices, structural imbalances in global trade, the growing power of financial media, and cultural-institutional dimensions of national market – to understand financial linkages as social relations (AALBERS, M. 2009; SOKOL, M. 2017).

The 2008/2009 crisis and its consequences revealed the complexity and versatility of socio-spatial relations of the current regime of capitalism, and also challenged core economy-focused theorisations of financialisation. The latter emerged not only as a powerful subject to academic inquiry, but also as a lens through which socio-spatial processes of financial capitalism could be grasped. This inevitably led to theoretical debates that challenged dominant discourses rooted in general equilibrium that drives the allocation of resources in the most efficient way, thus, had no explanation to financial crisis either at macro-, or micro-scale (the latter were limited to decision failures, asymmetry of information flow and moral hazard problems) (DUMSKY, G.A. 2018; HADJIMICHALIS, C. 2018). Alternative concepts that relied on heterodox economics, e.g. on demand-side explanations of macro-processes and critical political economy, argued for cross-disciplinary approaches, linked the economic and the political in the inquiry, and introduced spatiality as inherent to all social relations of financial capitalism (SHEPPARD, E. 2018; WÓJCEK, D. 2018; COE, N. and YEUNG, H. 2018). Current debates on financialisation embrace powerful problems that reflect on the unfolding new global financial order and also on the changing context of knowledge production on that, such as innovations in the financial systems and its socio-spatial consequences, global financial centres as source of growth and/or instability, homogeneity vs. variegated nature of global finance, the mechanisms of exploitation, and the unevenness and core bias of knowledge production on financialisation.

The edited volume 'Geofinance between Political and Financial Geographies: A Focus on the Semi-Periphery of the Global Financial System' is an interdisciplinary endeavour to address the last three topics, i.e. to reveal how strategies and practices of various social agents, such as people, firms, and state institutions acting in various socio-spatial contexts are related and entangled outside the financial core of the global economy. Writing from a semi-peripheral context, the authors enrich our knowledge on financialisation as a diverse real-world process, and by doing so, reveal mechanisms of unequal development and its variegated nature in the current regime of capitalism.



The book is meant to address two plus one major gaps in studies of financialisation as a spatial process. One is understanding financialisation as a political process, i.e. how state regulations, institutional practices and political discourses drive financial processes, moreover, how financial processes and agents impact upon state policies and politics, and through those, drive the allocation of capital shaping local and regional development. The editors mobilise the concept of state power as “the result of the interactions between the territorially framed institutions and the social forces operating within and around these institutions” (p. 19). This is very much in the heart of current debates on state spaces, and the book is a valuable contribution to those by relating financialisation and the organisation of state power. This entails a relational (cross-sectoral and cross-scalar) approach that encompassed the authors of case studies and contributed to the coherence of the volume.

Secondly, the book is devoted to reveal the processes in the financial ‘semi-periphery’ of the global economy, embracing established or emerging industrial economies with substantial and structured domestic financial service sector, and clear state policies toward financing firms and households by the definition of the editors. This is consistent with Wallerstein’s concept of semi-periphery in a sense that it places the dominance of agents of the financial core (in innovation, assets, information monopoly, institutional practices, etc.) and the dependent nature of financial(ised) relations in the focus. Nevertheless, it challenged the authors and the editors to go beyond macro-scale and national contexts, and grasp the essentialities of the semi-peripherality along with the multiplicity agency beyond the state and powerful agents of finance.

Finally, semi-periphery is identified also as an epistemological context, a position from which core-focused (‘Western’/‘Eurocentric’) theories could be challenged also in the current regime of capitalism. Thus, case studies from outside the global financial core are to reveal not only the vulnerabilities stemming from dependent financial position of agents in semi-peripheral economies, but to discuss the latter as “place for experimentation for the politics of finance” (p. 25), thus, a source of knowledge on how global finance unfolds at subnational scale and how it is (how it could be) counteracted to/responded by less powerful agents.

For geographers researching socio-spatial inequalities in and from the European (semi-)periphery, the book raised a number of questions that are related to debates on current processes of uneven development and financialisation as a powerful mechanism propelling it. Here I group them and structure the review as it follows: (1) What political agencies, strategies and social relations drive the integration of non-core economies in global finance? How did

the entanglement of such agencies produce unevenness and (semi)peripheralisation at subnational scale and within the global semi/periphery? (2) In what way does this volume contribute to reconceptualising semi-periphery in the era of financial capitalism? Is semi-periphery a relevant spatial concept to explain uneven development despite its heterogeneity rooted in diverse economic-financial historical trajectories? How to grasp the mechanisms and relations that manifest financial semi/peripheral position? Could we challenge the binary logic of dominant discourses on economic development from the (semi)periphery?

*Multiscalar agencies and relations of financialisation driving uneven development*

The volume is focused on the relations of various agents of financialisation acting at various spatial levels and in diverse sociocultural contexts, nevertheless, the studies are organised along a scalar logic. The first section is devoted to discussing how powerful *global agents* drove uneven development in the post-crisis (2008-) era. The authors explain how actual *geopolitical contexts*, discourses and struggles are inscribed in the spatial organisation, memberships and practices of international financial institutions, how national political and economic interests are mediated by those contributing to the rise of new centralities and dependencies (semi/peripheralities) at macro-regional and global scale (Chapter 2 by GRANDI, S.; Chapter 4 by ROSATI, U.). They also highlight the mechanisms that emerged to get rid of national regulations and political interests to enhance the scope of agents of the financial system. Those include the unfolding ‘*shadow banking*’, a financial model that rests on pooling and securitisation of financial vehicles to seek investment opportunities, and to which borrowers are only instrumental; thus, how model could be destructive to regional and national economies (particularly, those in peripheral position) and destabilise the global economy (Chapter 3 by BATTISTI, G.). *Offshore financial centres* are discussed as building blocks of such mechanisms, as they offer non-binding legislative frameworks, skilled labour and high-quality communication networks and transportation services, and a dense network of social relations (a cluster of firms related to finance) linking them to global financial centres. They manifest national (regulative) strategies for economic development, and also the mutually constitutive nature of local embedding and global power – a process identified as semi-peripheralisation exhibiting structural change, dense (inter)dependent relations to global financial centres, and socio-spatial polarisation stemming from agglomerative effects of the rising financial sector (Chapter 4 by ROSATI, U.).

The second section (relying on case studies from Brazil, Russia, Italy, Bulgaria and Vietnam) reveals the diversity of national financial systems and provides an insight in internal and external relations that reflect and also reproduce the ‘semi-peripheral’

position and institutional responses of the discussed economies. The macro (national) scale focus is justified by the powerful agency of the nation state as driver of regulative-structural changes stimulated by global financial crises. The discussed models of state interventions bifurcated, paving the way either (1) for neoliberal policies (deregulation-liberalisation) to manage structural crises, or (2) for a top-down state controlled reforms.

(1) The former is exhibited by Bulgaria and Brazil where growing external control over the domestic financial market increased the vulnerability of the national economy to global crises due to the enhanced mobility of capital (Chapter 8 by STAVROVA, E.; Chapter 6 by SELLAR, C.). Neoliberal schemes, even those accompanied by national development programmes (such as in Brazil) stimulated organisational and spatial centralisation in domestic financial systems that fuelled uneven development by directing capital flows from peripheries to economic cores (Chapter 5 by CONTEL, F.B.; Chapter 8 by STAVROVA, E.).

(2) State control over domestic economies and finance also entailed highly uneven socio-spatial processes. In such regimes, the power of political elites is anchored in domestic financial systems through which they control key industries, manage risks, and mitigate the consequences of external crises. Major state banks that hold monopolistic position in domestic markets are instrumental to run such systems, while smaller regional banks have to rely on households' and SMEs' savings and enter transactions that have higher costs and carry more risks (Chapter 7 by AGEVA, S. and MISHURA, A.; Chapter 9 by LIM, G. and NGUYEN, T.T.). The five case studies suggest that unevenness in the financial semi-periphery is stemming from dependent market relations, and also from non-transparent social relations and bargaining processes in domestic finance, in which national states have multiple roles. The diversity of state policies, institutional configurations, market relations and strategies revealed, how diverse mechanisms are at work outside global financial cores producing unequal power relations and spatial inequalities—a lesson to learn and go beyond binary thinking and economic reductionism in financialisation studies.

Section three does not have a clear scalar focus; the studies analyse the mechanisms of social restructuring related to financialisation, thus, give a deep insight in the production of inequalities at *subnational scale*. Studies written by YILMAZ, E. (Chapter 10) and JAFRI, J. (Chapter 12) revealed *how subjectivity is produced* through the mechanisms of lending. In Turkey, post-crisis economic recovery rested upon *household consumption*. That was fuelled by extensive lending of banks that linked globalised financial market and the realms of social reproduction through their sourcing strategies; thus, households and individuals were instrumental to maintain growth, profitability, and po-

litical power exploited by the coalition of banks and the political elite. A more pronounced differentiation of subjectivities has been produced in Pakistan, where the commercialisation, global embedding and growing reliance on ICT of the *microcredit system* (that was established to support more inclusive lending and, thus, counteract social polarisation) led to increasingly selective institutional practices that confined the poor to *'shadow citizenship'* with limited access to finance at a higher cost. Finally, going beyond the scale of individuals and households, PERCOCO, M. (Chapter 11) discussed, how locally embedded business relations could be sources of growth and also of instability in the regime of financial capitalism, and highlighted the role of relations of various forms of capital in regional development in the context of Italy (thus, could be considered as complementary to SELLAR's insight).

The studies included in the volume added a lot to our understanding on the mechanisms of the unfolding post-crisis financial order, such as how spatially differentiated structures of markets and institutions and practices are related and combined, what new power relations unfolded and how they produced new dependencies and socio-spatial inequalities across scales in the post-crisis (2008-) era. Non-core contexts exhibited institutional diversity in which global processes could be played out, and also revealed the political nature of financialisation and its complex roles in restructuring social relations, challenging simplified, economistic and binary approaches to current socio-spatial processes.

#### *Grasping semi-periphery in the current regime of financial capitalism*

Semi-periphery is a conceptual tier of the World System Theory (WST) and as such, defined as a transitory category to explain social relations that drive the expansion and highly uneven spatial organisation of capitalist regimes (WALLERSTEIN, I. 2010). It was developed and later mobilised as an analytical category by many to research the diversity and the socio-spatial dynamics of capitalism critically, moreover, as a source of criticising dominant discourses and institutional practices in politics and academia. Nevertheless, semi-periphery was scrutinised as an undertheorised element of the WST; criticism was articulated due to its functional definition (as a stabiliser of capitalist regimes), and as part of this theory, economic reductionism and macro-scale bias (MASSEY, D. 2005; PEET, R. and HARTWICK, E. 2009).

The authors of the book mobilised the concept of semi-periphery by going back to WALLERSTEIN's seminal work (WALLERSTEIN, I. 1974) to reveal how politics and finance are entangled in the current financial system that is fundamental to understand the processes, relations and underlying structures of

the current regime of capitalism. The adoption of semi-periphery as a subject to study and also as an analytical tool raised the problem of recursive argumentation, such as the relation of *explanandum* (the grasp what financial semi-periphery is) and explanatory factors (agencies, processes and mechanisms that emerged in the contexts identified as semi-periphery in the introduction). Since the problem remained implicit (the book is not focused explicitly on defining semi-peripherality), I relied on the lessons of the case studies and discussed only their lessons to grasp the relevance of this concept.

Discussing financialisation and geopolitics in a semi-peripheral context is justified by the scope, multiplicity and diversity of state interventions, an attribute of such transitory spaces in the financialised world system. The authors of the volume mobilised and also enhanced the explanatory power of the concept by approaching to finance and geopolitics relationally, focusing on key agents, their strategies and relations; thus, they revealed the mechanisms (adopting dominantly an institutional focus) producing unevenness, and got rid of functionalism (a source of critique toward WST). Case studies also explained, how power relations are played out in global financial institutional practices, how new dependencies manifest in lending practices, and how emerging offshore centres as financial semi-peripheries (defined so by ROSATI, U.) put forward and reproduce such relations. By doing so, the authors placed current processes in a historical perspective, revealing diversity in national financial systems, state policies and related discourses, and also powerful mechanisms that limited agencies and produced new ones operating at national and subnational scales. Thus, the authors contributed to grasp semi-periphery as a scene to constant experimentation (as proposed in the editors' introduction) to capture values from differences in regulative contexts, and also to the subjection of the society to the mechanisms of financialisation as means of exploitation and dispossession by global and also by domestic agents (see GINELLI, Z. 2017; HAJDIMICHALIS, C. 2018; GERÓCS, T. and PINKASZ, A. 2018 on the European context). Finally, semi-periphery is identified as a source of risk and instability stemming from the dependent embedding of such economies/agents in global finance, but also a context from which new strategies and policies could emanate addressing economic crisis and social inequalities. Nevertheless, the latter offer remedies (from inclusive micro-credit systems to locally embedded banking, discussed by JAFRI, J., SELLAR, C. and PERCOCO, M.) that are sooner or later get controlled by powerful market agents, thus, produce new risks and unevenness—that is also a manifestation of semi-peripherality in the current regime of capitalism.

Returning to the original concept of WST, that placed multiplicity of agents and their relations in

the explanation of inequalities (WALLERSTEIN, I. 2010), and also addressing the criticism on the economic approach of the WST, case studies discussed, how the re/reproduction of political power and the financialisation of non-core economies are related. The value added of the book is (a) focusing explicitly on the mechanisms through which global power relations are played out at national, regional, or local scale, enforcing externally-driven institutional strategies, that supported the subjection of the society; moreover, (b) how global financial relations are mobilised by national elites to enhance their power, i.e. how diverse yet neatly tied political structures are supporting the regime of financial capitalism.

Discussing financialisation from a semi-peripheral context is conceptual tier for the book that was guiding the selection of case studies and also the argumentation of the authors to highlight unequal power relations and mechanisms of subjection in discourses and institutional practices. It is consistent with the World System Theory that introduced an alternative epistemology of researching social change, challenging dominant (Eurocentric/core-biased) approach to social sciences. To emancipate the subjected from the discursive position of the 'other' in the context of financial capitalism is an issue that should be in the heart of critical social inquiry to counteract ongoing exploitation and social polarisation. Semi-periphery as an analytical category could be instrumental to such an intellectual and political endeavour, as it exhibits the complex dependencies of core and non-core agents and spaces, the class-biased and externally driven nature of state interventions, and the thorough changes in local societies (ARRIGHI, G. 2010; WALLERSTEIN, I. 2010). Understanding such processes as part of different historical trajectories we could reveal how diversity is incorporated in the current regime and why anti-systemic responses and movements failed (PEET, R. and HARTWICK, E. 2009). Nevertheless, discussing alternative approaches and practical solutions to tackle crises and social conflicts stemming from semi-peripheral positions make such spaces 'visible' in international debates (BOATCA, M. 2006), and the lessons of those could support the rise of new responses at local, national and also global scale. This volume contributed to such processes by enhancing our knowledge on financial semi-peripheries, and also by politicising financialisation studies.

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