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Financial geography I: The state-finance nexus

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Abstract

In the first of my reports on financial geography, I focus on a growing body of work that engages with the state as a vital and strategic actor in financial markets and in the global economy. After the 2008 global financial crisis, austerity measures and impacts on public finance have reshaped local-central government relationships with increasing use of financial instruments and market solutions. The growing prominence of sovereign wealth funds, shifting roles of national development banks and central banks, and impacts of currency internationalisation are raising questions about new forms of financial statecraft and opportunities for changing configurations of global hegemony. Taken together, a renewed engagement with a political economic lens and focus on state-finance relations illuminate the changing positionalities of economies and financial actors in the spatial organisation of international financial and monetary relations.

Keywords

Financial geography, financial statecraft, geopolitics, political economy, state

I Introduction

With five series of progress reports on the geographies of money and finance since 1995, research in this field has demonstrated particular momentum and covered ever wider segments of economy, society, and politics. While more recent progress reports had more specific focus on urban dimensions (Aalbers, 2019, 2020) and FinTech (Wójcik, 2021a; 2021b), I wish to cast a wider net to highlight emerging themes on the frontiers of financial geography research. This approach is premised upon not just focusing on money and finance as an object of geographical analysis but to highlight the significance of finance as a productive and insightful lens for analysing wider geographical phenomena and their spatial manifestations, such as capitalist formations, geopolitical tensions, development, climate and sustainability challenges, households and reproductive relations, and issues of equity and social/economic/environmental justice.

For this report, my focus is on the state-finance nexus. Leyshon's (1995) very first progress report argued for the salience of a political economy approach and identified its foundational role in early financial geography research. This was very much informed by a political economy tradition of 'radical' geographers (e.g. David Harvey and Neil Smith) during the 1970s and 1980s who analysed the dynamics of financial capital in urban spaces, and the works of political geographers (e.g. John Agnew and Stuart Corbridge) in studying the geopolitical

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economy of finance – that is, shifts in power between states and groups of economic actors in the regulation and operation of markets. The importance of the state and of a geopolitical and political economy approach to finance clearly has strong foundations in this field. However, conceptual engagements with the state as a vital and strategic actor in financial markets and in the global economy took a back seat and rarely featured in subsequent progress reports, with the exception of Christophers's (2015, 2016) specific engagements with financial crises and regulation. This report identifies growing research on the intersections between finance and the state since 2000, with a particular upsurge in the last decade. These emerging debates are developing important insights into the state as hybrid actors (due to both economic and political characteristics and functions) in global markets, and how the intersections of state and financial interests are shaping geopolitical relationships and capitalist formations. These have distinctive spatial outcomes on local and regional inequalities, financial centre development, and global financial flows.

The next section of this article lays out the context for this resurgence in scholarly debates on finance and the state over the past two decades, marked by milestone events of the 1997 Asian financial crisis and 2008 global financial crisis (GFC). Section III examines how post-crisis austerity measures and impacts on public finance generated critical research into the reshaping of local-central government relationships with increasing use of financial instruments and market solutions. Section IV highlights recent research on various types of instruments and policies (such as sovereign wealth funds, sovereign bonds, and currency internationalisation) and considers how they are shaping contemporary understanding of the state-finance interface and conceptualisations of state (financial) capitalism. Section VI concludes with some reflections on how growing engagements with state-finance relationships are refining geographical understandings of multiscalar forms of governance, and identifies other emerging themes on the state-finance nexus.

II Finance and the state post-crises

Historically, there has been a tendency in economic geographical research to separate finance from wider dimensions and circuits of economic value and relations, with finance and the state often treated separately as distinctive realms of (political-)economic processes. This particular framing of finance may be partially due to neoliberal financial reforms in leading international financial centres of London and New York that were dominating the finance sector in the 1980s and 1990s, which also led to a certain ideological dominance in wider political and economic discourse about the role of finance in an increasingly neoliberal economy. This ideological position and resultant policy impacts were most acutely felt during the 1997 Asian financial crisis when recommended reforms (as conditionalities for bailouts by the International Monetary Fund), such as the closure of insolvent banks and financial institutions (some of which were state-owned or state-linked), privatisation and deregulation to improve market response, and tightening of monetary and fiscal policies. These recommendations operated on the premise of the realms of finance (and associated actors and institutions) as rightfully belonging to the (read: neoliberal) market and best left undisturbed by onerous state interference and stifling regulation. The resultant recessionary impacts and financial hardship on Asian economies, such as Thailand, Indonesia, Malaysia, and South Korea, shaped subsequent response in terms of how states would explore alternative solutions to protect against future liquidity and foreign exchange crises. This is most evident in the establishment and increasing use of sovereign wealth funds, a point which I will return to in Section IV.

Moving beyond Asia, this ideological position regarding the separation of finance and state has also changed after the 2008 GFC. As noted by Lee et al. (Lee et al., 2009: 723): 'Who would have thought that banks would become nationalised, that state debts would reach historical levels, that bulge bracket investment banks would go bankrupt and that the masters of the universe would be so widely vilified?' The nationalisation of banks and debt taken on by US and UK governments to bail out private institutions were unprecedented, rendered all the more startling given their roles as stalwarts of neoliberal governance for decades. My purpose in highlighting these crises events is to point out that the ideology of the market economy – and the specific roles ascribed to finance and state actors in such a theoretical frame – is also about a hegemonic set of geographical relations. Assumptions about role of the state in the economy (and more specifically in finance) have very much followed the Anglo-American experience and reflected in mainstream (read: Anglophone) geographical scholarship throughout much of the 1990s and 2000s. It is therefore unsurprising that much of financial geography research has had limited engagement with the state as more than regulatory backdrop.

There has been a discernible shift in financial geography and wider geographical research, influenced by state response in the immediate aftermath of the GFC and the period of painful recovery in the austerity period of the early 2010s (Langley, 2014; Peck, 2014). This period also witnessed the rise of Chinese firms and consumers as increasingly important drivers and actors in the global economy, with different forms of corporate structures, firm behaviour, state–firm relationships, and growing capital demands to support domestic and international expansion (Töpfer, 2017; Wójcik, 2021b; Zhang and Peck, 2016). Taken together, it has become harder to overlook or downplay the significance of state actors in the global economy and in the financial realm. The state does not only provide a backdrop (in the form of the necessary regulatory and legal milieux for financial transactions, providing stability and upholding trust in systems and institutions) to financial markets and transactions; the state needs to be understood as purposeful, strategic, and complex agents who are themselves market actors. Due to their unique characteristics as both political and economic actors, their intersections with financial markets, systems, and institutions shape processes and outcomes in ways that cannot be explained without incorporating and analysing the state as vital in shaping financial relations, transactions, institutions, and their geographical outcomes.

Early interventions in financial geography paid substantive attention to the role of state actors and geopolitical concerns in global finance and monetary systems (Leyshon, 1995). Research examining the financial hegemony of the US dollar, collapse of the gold standard, and changes in post-Bretton Woods monetary systems generated insights into changing hegemonic relationships between states and between states and a growing class of transnational elites (especially associated with financial capital). However, following the broader cultural turn in economic geography in the late 1990s and early-2000s, much of financial geography research has focused on market-making and meanings, social relations, performativity, and subjectivities (Hall, 2010, 2011). These have made important contributions in opening up the 'black box' of global finance and generating deeper understanding of wider social, political, and cultural relations that co-constitute financial markets. Alongside this cultural economy approach, there is also a distinctive cluster of researchers focusing on spatialities of finance and advanced producer services and their broader financial networks (see Gibadullina, 2021). Influenced by world cities and global production network approaches, this body of work adopted a more firm-based and network perspective to studying finance in the global economy (Coe et al., 2014; Hendrikse et al., 2020; Wójcik and Camilleri, 2015). Given their attention to firm actors and state actors in shaping flows of investments, inter-firm relationships, and regional development outcomes, it is unsurprising that these network approaches to finance have taken more substantive notice of the state's role in shaping financial relations, institutions, transactional flows, and spatial nodes. Haberly and Wojcik's (2022) recent addition of 'world governments' to the conceptual framework of global financial networks, alongside the earlier categories of financial centres, offshore jurisdictions, and advanced business service complex (see Coe et al., 2014), also signals a shift in conceptual engagement with the state in shaping the spatialities and outcomes of global finance.

In the remainder of this report, I focus on two dimensions of the state-finance nexus that generates important insights into financial inequalities, development challenges, and emerging geopolitical dynamics in the global economy. Starting from a more local scale of fiscal geographies and public finance, the discussion then turns towards broader debates about a financial lens on state capitalism as states mobilise certain financial instruments, institutions, and mechanisms that have global reach.

III Fiscal geographies and public finance

Over the past two decades, there is increasing attention on the retreat of social democratic states in the provision and financing of public services, largely in urban studies and regional studies rather than financial geography (Davidson and Ward, 2018; Hastings et al., 2017; Peck, 2012; Tewdwr-Jones and Phelps, 2000). In advanced capitalist economies, there has been a growing geographical mismatch between increasingly extensive functional metropolitan regions and politically constrained urban administrative areas, resulting in fiscal gaps between the revenue-raising ability and the expenditure needs of individual jurisdictions (Pacione, 2001). Such growing gaps between a local authority's fiscal capacity and expenditure needs are especially acute in low tax base and high need jurisdictions, such as cities affected by de-industrialisation and urban decline. Other than strategies of reconfiguring administration boundaries and fiscal distribution, or accessing central government grants (if available), fiscal solutions increasingly turned towards new financial arrangements with private capital. In the UK, the 'private finance initiative' was introduced by the government, which uses the private sector to finance, build, and operate services and infrastructure previously provided by the government, through long-term contractual arrangements. Over the past three decades, similar contractual arrangements broadly termed 'public–private partnerships' have become common between governments and private partners in various countries (Anguelov, 2022; Birch and Siemiatycki, 2016; Cirolia and Harber, 2022; Pike et al., 2019). Different national and local politics shape the degrees and configurations in which expenditures and revenues have been devolved to local governments, varying across geographical contexts such as Australia, Canada, Finland, Germany, and the UK (Slack, 2017). However, a consistent feature is that such shifts in the funding structure of public services increasingly transform the role of the state away from being the *provider* and towards becoming the *purchaser* of public services (Tickell, 2001).

Some studies on changing fiscal geographies and the role of the state and local governments intersect with concerns regarding urban entrepreneurialism and the outcome of increasing financialisation of urban infrastructure (Torrance, 2008; O'Neill, 2019; Furlong, 2020). Increasing reliance of local governments on private capital and financial instruments leads to growing influence of financial logics and technocrats on urban governance (Peck and Whiteside, 2016; Anguelov et al., 2018), greater exposure of municipal governments to global financial markets and associated risks (Hendrikse and Sidaway, 2014), and growing power of financial gatekeepers like private credit rating agencies in restructuring cities (Hackworth, 2002). Such discussion on fiscal geographies and urban governance found particular resonance with researchers of Chinese cities. Given the particular central-local state structures, speed of market reforms, massive rural–urban migration, and rapid urbanisation in China, research by urban geographers has developed particular insights into state-finance relations and the ways in which processes of land development, local public finance, and urbanisation are mobilised in the ongoing transformation of the Chinese political economy (He et al., 2016; Lin and Yi, 2011; Pan et al., 2017; Wu, 2023). Of particular note is the proactive role played by municipal governments that function not only as administrators and regulators of development but also as investors and developers directly involved in the production of the urban built environment.

Rather than positioning public–private partnerships as necessarily a weakening of local state capacities, these studies show more nuanced and dynamic processes at work in shifting state-finance relations and forms of agency. More than just directing research attention on how private and financial actors are taking over urban provisioning, research on fiscal geographies highlights the specific ways that states (operating at various scales) are actively shaping these processes through tax and other budgetary systems. An appreciation of the role that taxation plays in municipal finance and governance, financialisation, and urban politics reveals how shifting state-finance relations are reconfiguring modes of accumulation and socio-spatial outcomes especially at local and regional scales (Tapp and Kay, 2019). Through a geographical political-economy approach, the funding, financing, and governance of city infrastructure positions the multi-scalar state as both object and agent of financialisation. While financial markets, networks, and institutions have become inextricably connected with urban and regional development, these are necessarily shaped (though unevenly) by the agency of state actors and their capacities to negotiate and act in certain ways, in the form of 'city statecraft' (Pike et al., 2019).

However, a cautionary note is required regarding the capacities and agencies of state actors. As seen in studies in the UK and US, the impacts of post-crisis austerity measures are often concentrated in cities, when the reduction or complete withdrawal of central government funding forces local government to rely more heavily on local sources of income, which then exacerbates regional inequalities (Davidson and Ward, 2018; Hastings et al., 2017; Tewdwr-Jones and Phelps, 2000). As national or state-level governments 'dump' the fiscal crisis onto the local state, austerity is devolved to the local level, resulting in what Peck terms 'austerity urbanism' (Peck, 2012). If 'public finance is politics hidden in accounting columns' (Gray and Barford, 2018: 541), then closer attention to geographies of public finance and changing of fiscal arrangements present important opportunities for examining the role of finance in shaping societal and political transformations. For instance, Cirolia's (2020) research on the newly formed Kisumu County Government in Kenya shows how its authority is substantiated as well as contested through fiscal instruments. It also highlights the importance of fiscal geographies in peripheral and post-colonial cities to understand the processes and outcomes of state-finance nexus in urban governance and built environment (see also August et al., 2022). The focus on urban sites and infrastructures can also be helpful to financial geographers in analysing the state-finance nexus in more material terms, rather than as disembedded flows in capital markets. If governments have responsibility to ensure that public services are provided adequately and equitably to all citizens, then research into the geographies of public finance are vital for issues of territorial and social justice.

IV State (financial) capitalism

Previous progress reports have highlighted the impacts of financialisation on wider economy, politics, social life, and urban change (Aalbers, 2019, 2020; Hall, 2010, 2011), with some noting the ways in which finance seems to be capturing state institutions and strategies (e.g. Engelen et al., 2014; Hendrikse and Sidaway, 2014; Peck and Whiteside, 2016). Rather than viewing financialisation as *constraining* state power and action, scholars also point to how states are *embracing* financial instruments and entities as new means of employing economic and political statecraft to achieve different objectives. This strategy is most visible in the form of sovereign wealth funds (SWFs), which focuses analytical attention on the state as a direct actor (i.e. investor) in financial markets and not simply as a facilitator via regulatory functions and macroeconomic policy. SWFs are state-owned institutional investors that manage and invest a country's accumulated wealth (usually from commodity-based exports or foreign exchange reserves) in global capital markets. While global finance has hitherto been dominated by Anglo-American financial institutions, SWFs seem to indicate a power shift towards governments of emerging economies and semi-democratic or authoritarian regimes, and imply a redistribution of financial and political capital (Monk, 2009; Dixon and Monk, 2012; Dixon et al., 2022). Although there is no consensus regarding whether SWFs pose a credible threat to the existing geopolitical order, they represent adaptive strategies and changing state territoriality under contemporary conditions of globalisation and financialisation (Clark et al., 2013; Liu and Dixon, 2021). The state-finance nexus as seen through the lens of SWFs therefore has theoretical significance in countering the 'territorial trap' of assuming state agency and politics are contained within the state's formal territorial jurisdiction (Haberly, 2011). Studies on the governance and legitimisation of SWFs also provide insights into issues of power and changing configuration of global hegemony. While SWFs may represent opportunities to reassert sovereignty and authority through some form of financial statecraft (Lenihan, 2014), they are often conceived and governed in terms of the same imperatives that drive financial markets (Monk, 2011). In recent work, however, Liu and Dixon (2021) show how the China Investment Corporation is setting up joint-holding structures with other SWFs to direct capital towards strategic projects in the Belt and Road Initiative, and becoming increasingly self-assured in recreating financial practice, reflecting its growing centrality in global financial markets. Dixon (2022) also observes new flows of learning and knowledge transfers, with Kazakhstan modelling its SWF (Samruk-Kazyn) after those of Malaysia and Singapore in its aspiration to become 'Asia's snow leopard' (modelled after Asia's 'Tiger economies'). This raises an interesting prospect that we may see state actors becoming increasingly active in recreating and influencing financial practice.

Other than SWFs, there are broader debates about an emerging 'new state capitalism', prompted by changing relationships between state and finance as observed during and after the 2008 GFC and the increasing importance of some Global South countries (especially China) in global financial networks. Compared to earlier studies on state capitalism that were more narrowly focused on state-owned corporations especially in East Asia (see Carney, 2015), recent debates on new state capitalism engage with broader dimensions of financialised capitalism and a variety of institutional forms, including SWFs, state-owned enterprises, national development banks, currencies, and monetary and industrial policies (Carroll and Jarvis, 2022; Silverwood and Berry, 2022; Skalamera Groce and Köstem, 2023; Su and Lim, 2022). Such 'new' state capitalism narratives highlight emerging geo-economic and geo-political tensions while echoing familiar rhetoric reminiscent of Cold War era (Alami and Dixon, 2020; Alami et al., 2021). Of course, extraordinary state interventions are not only limited to China and emerging economies in the East but also evident in advanced market economies of the West, such as the US, UK, and the European Union during the 2008 GFC. Economic response to the COVID-19 pandemic also prompted unprecedented mobilisation of state resources through fiscal and monetary policies across the globe, although such fiscal strategies are not always available due to the problem of high sovereign debt for many Global South countries (Potts, 2023). But more often than not, the label of state capitalism is used to describe authoritarian state-led capitalism in the 'East' (especially China) as opposed to the democratic free-market capitalism of the 'West', exemplified by the US and UK.

There are certain anxieties around the rise of new state capitalism (and specifically Chinese state capitalism; see also Chen 2020; Lai et al., 2020; Narins, 2021) and how emergent political forms of global capital accumulation are reshaping discourses about Development with a capital D – referring to projects of interventions in the 'Third World' as they emerged in the context of decolonisation struggles and the Cold War through to the era of Washington and post-Washington Consensuses. Alami et al. (2021) identify a reorientation of official agendas and discourses about the state, with greater acknowledgement of the state as a promoter, supervisor, and owner of capital. While their analysis focuses on development, their arguments foreground the vital role of state-owned capital in shaping geographical political economy of the changing global development regime, and point to significant ideological adjustment involving a re-legitimation of the state in Development, and a limited embrace of state-owned capital. The expansion of such state-capital hybrids takes various forms and is driven by different state agendas and positionalities, resulting in uneven forms of state capitalist development (Alami and Dixon, 2023). Taken together, the global rise of SWFs, state-owned enterprises, and development banks are seen as organisational manifestations of state-owned/sponsored/controlled/directed capital that are developing new territorial and capitalist logics for states (Babic, 2023).

Other institutions are starting to feature in emerging research on the state-finance nexus and reconfigurations of state capitalism. Focusing on central banks, Sokol (2022) analyzes the US Federal Reserve, the European Central Bank and the Bank of England, and their roles in shaping uneven economic geographies. By using central banks to provide sizeable 'subsidies' for the financial markets, financial institutions, and the economy more generally, the state acts not only as a promoter, supervisor, and owner of capital but also as a 'generator' of capital through interventions such as quantitative easing. This also raises more normative question regarding whether the enormous power of central banks should be mobilised to meet societal challenges rather than to prop up financial markets, and the promotion of more socially just and more environmentally sustainable economies (see also Langley and Morris, 2020). In their research on security exchanges, Petry et al. (2023) show how these constitute powerful actors that actively shape capital markets instead of just serving as platforms for market transactions to occur. Their analysis of security exchanges in six increasingly financialised emerging market economies (Brazil, China, India, Russia, South Africa, and South Korea) shows how these exchanges often organise capital markets to facilitate state objectives. Such attention towards other institutional forms also sheds light on multi-scalar state governance, not only in terms of national and global scales of state-finance operations and influence but also at the subnational scale, such as Eagleton-Pierce's (2023) research into how the City of London Corporation operates in the service of transnational financial interests and demonstrates the spatial complexity of multi-scalar state governance operating through the state-finance nexus.

Another important dimension of the state-finance nexus lies in currency internationalisation and implications for global monetary relations and stability. This brings us almost full circle back to the political economy issues highlighted in the first Progress Report by Leyshon (1995). While the creation of national currencies is closely aligned with state and cultural formation, their international circulation and changing status as global currencies raise important questions about state sovereignty, monetary power, and the spatial organisation of international financial and monetary relations. Recent debates are heavily driven by the growing power of the Chinese economy and internationalisation of the Chinese yuan or renminbi (RMB). Lim (2023), for instance, considers whether RMB internationalisation would actually challenge the US dollar's global reserve currency status, or paradoxically consolidate the latter's dominance due to the Communist Party of China's commitment to absolute macroeconomic control (and therefore limit the international use of RMB). RMB internationalisation has been pursued along two interrelated pathways: one focuses on the settlement of trade transactions in yuan, thus bypassing traditional invoicing currencies like the USD; the other pathway involves developing offshore RMB markets for yuan deposits and yuan-denominated bonds in approved jurisdictions (e.g. Hong Kong, Singapore, and London). The latter has captured the attention of some geographers regarding the development of financial centres and marketplaces (Töpfer and Hall, 2018; Hall, 2022). At the international level, political economists and international relations scholars are interested in whether RMB internationalisation constitutes transformative change in China's state-market relationships, which might alter the ideational and institutional underpinnings of international monetary relations (Cohen, 2012; McNally and Gruin, 2017). Such an approach, however, overlooks the rise of the RMB as a process of transnational market-making involving actors and political agency across distinctive scales, as played out in the spaces of international financial centres with offshore currency markets. Green and Gruin (2020) astutely observe that although scholars in social studies of finance and financial geography have made significant contributions to the understanding of financial centres as 'lived places' and the range of actors involved in shaping transnational financial networks, there is less appreciation of deeper, longer term, transformations within the global political economy. At the same time, they argue that international political economy research needs to be decentred from an exclusively state-centric analysis and quantitative charting of international currency usage to evaluate international monetary relations and power.

Using the development of offshore currency internationalisation and financial centre development as a lens to study the global financial order provides a multi-scalar approach to capture different levels and trajectories of monetary change. The significance of IFCs as sites of infrastructural power in shaping global monetary transformations and order is demonstrated in Hall's (2017, 2021) research on London's development as offshore RMB centre. By foregrounding markets as political as much as economic constructs, Hall's research brings into view the actors (Chinese state managers and financial elites, British investors, regulators), institutions (state institutions, Chinese state-owned banks, global asset managers), market devices (regulations and financial products), and spaces (financial districts) involved in RMB internationalisation. This illuminates the web of relations between the state and private capital involved in the making of London's financial district as an offshore RMB hub. In considering how offshore currency markets could be reshaping financial centre strategies and state-market relations, there are implications beyond IFC growth. Lai (2018) points out that the offshore RMB market in Singapore has distinctive connections to wider Singapore–China economic projects, such as the Suzhou Industrial Park and Tianjin Ecocity, which are joint ventures between Singaporean and Chinese companies and governments. The offshore RMB market in Singapore allows companies operating in the two business parks to raise working capital in RMB directly from Singapore, which creates a cheaper and more stable funding environment in supporting businesses involved in such transnational economic projects.

V Conclusion

States do not only act as regulators or stabilisers of offshore financial space but also actively create it. A renewed engagement with a political economic lens and focus on state-finance relations illuminate the changing positionalities of economies and financial actors in the spatial organisation of international financial and monetary relations. The past two decades have seen a resurgence of scholarly debates on finance and the state, driven in part by events of the 2008 GFC. Post-crisis austerity measures and the reshaping of local-central government relationships have led to a crisis of public finance in many economies, linked to the increasing use of financial instruments and market solutions. The uneven outcomes of social and economic deprivation at the municipal level and growing regional disparities have attracted greater attention to financialisation and fiscal strategies of governments. At a broader scale, the rise of SWFs and other financial instruments (e.g. sovereign bonds and offshore currency products) are reshaping understandings of the state-finance interface and reconceptualisations of state (financial) capitalism. A key feature of these interventions is the nuanced geographical understanding of multi-scalar forms of governance and rescaling of the state in complex ways. Analysis of state-finance relations brings into view multi-scalar forms of governance that are allowing the state to operate simultaneously in specific places and at multiple scales, such as through SWF operations or how global financial markets, national central banks, and local urban infrastructure financing are entangled in the shifting geographies of public finance.

Research into the proliferation of SWFs, sovereign bonds, and offshore currency markets also reflects concerns about the rise of emerging economies and their shifting power in economic and financial realms, especially that of China. China's accelerating integration with global financial networks raises new questions: will this integration lead to transformative change in China's state-market relationships? How would the current international financial order adapt to a more state-centric mode of economic governance? How will these changes shape our understandings of state-finance relations and extra-territorial power of the state through financial instruments and practices? Foregrounding a more state-centric view of contemporary capitalist systems can open up spaces for postcolonial interventions as such analyses often go beyond the discourses of Anglo-American geopolitics, that is, challenging the narrative of competition between (Western) democratic free-market capitalism and (Eastern) authoritarian state capitalism. These emerging configurations of state-finance relations constitute counter-representative practices produced and mobilised by actors across geographical settings especially in large developing economies (e.g. India, China, Russia, and Brazil) and other global South countries, and broaden our understanding of the changing landscapes of state intervention in capitalist societies through financial instruments and practices.

I close this report by pointing to two other areas of emerging debates that have particular relevance for understanding the shifting state-finance nexus and production of financial geographies. The first pertains to a call for closer engagement with legal geographies (Knuth and Potts, 2016). Although state regulation and other legal practices underpin financial processes, research into law and legal practices, institutions, and spaces remains underdeveloped in financial geography. Beyond narrow conceptualisations of government regulation and legal practices as either 'restricting' or 'unleashing' financial accumulation, financial geography research should attend to the full institutional complexity of governance to examine how financial processes are constituted in and through differentiated, overlapping and competing jurisdictions. By developing more precise knowledge of the relationships between law, states, finance, and space, we can better understand how place-specific legal practices shape the mobility of financial structures and regulatory frameworks, and the transformation of financial systems elsewhere (Potts, 2020). Rather than being faced with an amorphous and dominant 'system', the identification of actors, institutions, motivations, and places offers possibilities for alternative narratives and response to the growing power of finance. My second point relates to the growing interest in digital currencies by private actors and states. Cryptocurrencies such as Bitcoin and Ethereum have attracted the most interest and controversy due to their claims of overcoming centralised control of states and the spectacular highs and lows of their market value, although stablecoins (cryptocurrencies that are pegged to a reserve asset such as US dollar or gold) are meant to reduce such volatility. Given the regulatory and legal implications of such digital currencies, it is unsurprising that states are entering the field with various proposals and experiments to develop central bank digital currencies (CBDCs). Countries that have launched or are considering CBDCs include the Bahamas, China, India, Japan, Nigeria, Sweden, and the UK. Other than legal and regulatory dimensions, growing experiments with digital currencies also have important implications for monetary and social functions of the state as these new forms of monies and infrastructures intersect with objectives such as financial inclusion, security (e.g. money laundering and terrorism financing), monetary policies, and financial stability (see Aneja and Dygas, 2023; Bordo, 2022; Chu, 2022). While financial geography has benefited from a diversity of approaches and topical concerns since the early 1990s, there is much to be gained from a renewed engagement with geopolitical and political economy approaches to finance in examining the state-finance nexus. By studying the state as a vital and strategic actor in financial networks, we gain insights into the spatial outcomes of financial processes on local and regional inequalities, (extra) territorial dimensions of the state, and changing configurations of global economic and financial power.

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