

# Financialisation of the Urban and Regional Domains



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## **Editorial on the Financialisation of the Urban and Regional Domains**

The period between the publication of Issue 6 and the launch of this Issue 7 has been challenging across all sectors of society. The challenges caused by the COVID-19 pandemic have affected work-home relationships, have changed the way we travel, communicate and socialize. It has also called for a rethinking on how to respond jointly in terms of solidarity and cooperation.

COVID-19 has recast urban life globally becoming imperative to respond to urban and regional inequalities that underpin the crisis. Apart from social recovery needs, there is the economy and financialisation processes to be taken into account and lessons to be learned. We urgently need to attend to the urban-regional socio-economic crisis underpinning COVID-19 that unfolds amidst the

most vulnerable and lagging-behind regions. In this context, financialisation, as a process whereby financial markets, financial institutions and financial elites gain greater influence over economic policy and economic outcomes, plays a fundamental role. The process has started way before the current crisis, but scholars and policy makers are now offered a chance for action and discussion over new ways to tackle the trend for the benefits of our communities. In response to the COVID-19 pandemic, The Group of Seven (G7, i.e. Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) central banks have launched asset purchase programs in anticipation of an increase in government bond offerings to finance ballooning fiscal deficits. This can transform the functioning of economic systems at both the macro and micro levels but can also affect the socio-spatial and spatial-economic conditions of our cities and regions. Studies of the multidisciplinary concept of financialisation have multiplied in recent years, covering a growing range of topics. Articles in this themed issue address various examples of financialisation in operation, including the growing involvement of financial mechanisms in the housing sector, transportation and overall urban and regional development. Readers have a chance to explore impacts and implications of financialisation across different geographies, and a variety of economic, institutional and regulatory frameworks.

In Regional Insights section, Constance Carr and Markus Hesse reflect on a timely and controversial story of the corporate urban development narrative that is the move of Alphabet Inc. in pulling Sidewalk Labs (sister to Google), out of the Quayside project in Toronto, Canada. In their article, *Sidewalk Labs closed down - whither Google's smart city?*, Carr and Hesse argue that COVID-19, and the associated shutdown, caused financial uncertainty that forced Alphabet to reassess its priorities, thus leaving Toronto out of their prime focus. For these authors, what was most striking about this whole saga was the hubris of large digital corporations (LDCs) when it comes to engaging with people, cities and real life. The article concludes with a call for a better understanding and critical reflection over the political dimension of tech-cities and tech-investments in urban development. This political dimension of today's economic geography intrigues Silvia Grandi and Christian Sellar. These authors echo their latest work *Geobanking between political and financial geographies*, developed together with Juvaria Jafri. They integrate economic geography, political geography and management studies within the conceptual framework of geofinance and geobanking to question the strategic choices driving Italian commercial banks

towards the international markets. This section continues the exploration of the boundaries between political and financial geographies. By focusing on the linkages between the development of free zones in Ghana and industrialization processes in general, and how they can support socio-economic development, Felix Nana Kofi Ofori and David Sarpong discuss *Free Zones as the engine of economic growth in Africa*. António Alves and Hugo Leandro discuss the entanglement between the existing and required investments in the Portuguese railway and a holistic system that integrates other means of transport and spatial planning options. In *A Derailed Country - reflections on the (de)investments in the Portuguese Rail Network*, they conclude by questioning the potential multiplier effect of the announced investments of about 4,040m€ in supporting development of lagging behind regions.

Financialisation of the housing sector is debated in two distinctive yet complementary articles, if we take them into a broader picture of urban development. One embraces a national level of analysis, another presents findings of a city-level study. In *Financialization of housing in Southern Europe - the role of the state*, Simone Tulumello, Myrto Dagkouli-Kyriakoglou, and Alessandro Colombo, summarize the conceptual framework of the ongoing study 'Financialization of housing in Southern Europe: policy analysis and recommendations', funded by the European Parliament, office of MEP José Gusmão. The goal of this study is to systematize the direct and indirect role of legislation and public programmes in Portugal, Spain, Italy and Greece. Sjoerdje van Heerden, Ricardo Barranco and Carlo Lavallo in *Is urban housing becoming a commodity? Reflections on housing financialisation in EU cities*, highlight a Joint Research Centre's study on housing financialisation in Athens, Barcelona, Berlin, Lisbon, Paris, Porto, and Vilnius. Both share a core preoccupation of understanding better the public policies, regulations and programmes affecting how the housing sector in Europe is planned, legislated and governed. Although focused on Chinese cities, Zhuoya Kang in *Comparing financialisation of urban development in Chinese coastal and inland cities* sheds light on how financialisation is defined through urban planning lens. Kang compares financialisation schemes in coastal and inland cities to conclude that there is no doubt that government's intervention drives the characters of financialisation in China. In different regions, the local context and policies preferences will deliver different ways for project financing and development.

In Research Frontline, a section aiming at reflecting innovative regional research, Naomi Hazarika, an early career researcher at the *National Institute of Educational Planning and Administration* in New Delhi, India, critically discusses the dynamics of urban redevelopment involving the opening up of state lands for private investment in the city of Delhi. Hazarika employs a novel conceptual tool of a 'real estate frontier' to the study of a policy of slum redevelopment called 'In-Situ Slum Redevelopment and Rehabilitation on Public-Private Partnership model 2019' implemented by Delhi Development Authority.

Spotlight section features two valuable contributions to this theme issue and beyond. Stefania Fiorentino, Nicola Livingstone and Michael Short debate the implications of financialisation in urban densification processes in the implications of financialisation through densification processes, and specifically considers developments providing student accommodation, as an under-researched element of the UK's housing market. Felix Nana Kofi Ofori examines the ramifications of Covid-19 on the continents of Africa and Europe through the lens of the concepts of regionalism and leadership. Further, the nexus between financialisation and urban realm is explored to assess how the Covid-19 has affected government projects, including open spaces and the environment.

With the publication of this Issue 7, we honour the memory of a dear friend, Professor Paul Benneworth, who passed on Tuesday 12th May 2020. Paul was a long-time friend of the Regional Studies Association, a great contributor to our journals, including *Regions e-Zine*. He mentored our very first issue on the role of early career researchers in regional studies.

As we strive to ensure the *Regions e-Zine* becomes a vital tool to showcase the excellent research carried out by all members and friends of the Regional Studies Association, this Issue marks the beginning of the Editorship of Stefania Fiorentino and Robert Bowen.

Issue 8 will be themed around Housing Issues in Contemporary Urban Regions (December 2020).

*Editorial team*

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