

The Geography of Finance and Financial Services

One of the most thoroughly documented yet widely disputed theories in academic finance is the existence of informationally efficient markets. The fundamental axiom of efficient market theory is that capital and information flow frictionlessly to the locations which promise the greatest returns – truly efficient financial markets will render space irrelevant. Geographers have long recognized the folly of this assumption and regularly attribute uneven development to market imperfections. The multi-disciplinary acceptance of research on the geography of finance has been limited largely because of the specter of efficient market theory. Given the fundamental role of finance in regional economic development, corporate location and urban form, it is vital that geographers expand their understanding of the geography of finance. This need becomes more critical as changes in the production, management systems and corporate structure make the world increasingly ‘financialised.’

This special issue of *The Industrial Geographer* seeks to move beyond the ‘end of geography’ arguments and begins to examine the role of the financial industry in place making. These papers recognize that the financial industry influences and is influenced by jobs, wages, corporate location, human behavior and the role of the state. This expansion of the field is accomplished by moving beyond the typical site-based studies of finance (such as the world cities literature) towards a more sophisticated situation-based approach which explores the relationships between the

financial industry and individuals, firms and states. Articles included in this issue include evaluations of changes in consumer access to financial services resulting from globalization (Biles), the spatial availability of multiple forms of corporate finance (Green; Kashian and Brooks), the evolving geography of banking resulting from regulatory and competitive shifts (DeYoung, Klier and McMillen; Zhou; Purcell and Cobb), evaluations of the changing local economic impacts of the financial industry in the face of globalization (Warf) and disaster (Pohl) and examinations of capital flows at the international (Williams) and intra-national scales (Bodenman). By contrasting these diverse elements of the financial industry with in the broader sub-fields of economic and urban geography, this set of papers identifies promising directions for future research, hopefully inspiring others to expand this line of work.

Finally, I would be remiss in not crediting the regular editors of *The Industrial Geographer* for inspiring this special issue. Their willingness to broadly define the focus of the journal encouraged this, and hopefully other special issues on innovative empirical research in economic geography. My sincere thanks goes to the contributors, anonymous reviewers, editors (Jay Gatrell and Neil Reid), and particularly Jim Wheeler, for their patient assistance with the production of this special issue.

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