Chapter One
Global Monetary Transformation and Respatialising the Geographies of Finance

Respatialising Finance positions international financial centres as vital – but often overlooked – analytical lenses through which to understand the changing position of Chinese finance within the international financial system and specifically the internationalisation of its currency, the renminbi (RMB). In so doing, I develop a revitalised reading of financial centres that places questions of the state, politics and power more centrally in both their own internal dynamics and in their role in shaping global finance. Since the 2007–2008 financial crisis, the growing internationalisation of the RMB has been one of the most significant developments within global monetary relations. Indeed, in 2014, Deutsche Bank argued that the internationalisation of the RMB was the most significant development in international monetary affairs since the launch of the euro in 1999 (Deutsche Bank 2014). It refers to the relatively rapid and recent transformation in the geography of the Chinese currency facilitated through Chinese state support in the form of the People's Bank of China in particular. This geography has been transformed from a situation in the early 2000s in which flows of RMB in and out of mainland China were heavily restricted to one in which, by July 2020, it was the fifth most commonly used currency for payments internationally behind the US dollar, sterling, the euro and the yen (SWIFT 2020). Meanwhile, the growing international status of the RMB was also reflected in the International Monetary Fund including the RMB in its basket of special drawing rights (SDR) from October 2016 together with the US dollar, the euro, the yen and sterling.

Respatialising Finance: Power, Politics and Offshore Renminbi Market Making in London, First Edition. Sarah Hall.

Kirshner (2014: 220) provides a valuable summary of the early motivations and uncertainties surrounding RMB internationalisation:

> "Prior to the global financial crisis RMB internationalization was already a gleam in the eye of elites in China, but it was understood that the yuan was a long way off from serving as an important international currency. The dominant position of the dollar, the emergence of the euro, and the fragility of China's sheltered, murky domestic financial sector (in contrast with the venerable institutions and market powerhouses to be found in the West) tempered expectations about how quickly the RMB might take its place as a currency widely used in international transactions, let alone held as a reserve asset. Nevertheless, such ambitions, however distant, were clearly harboured, and as China continued its rise to great power status it was natural to assume that a greater international role for a maturing RMB would be part of that process"

Although the future of RMB internationalisation is uncertain and has slowed since 2015, there are a number of indicators which point to marked changes in the position of the currency internationally, and by extension the role of China within the international financial system (Chey and Vic Li 2020). For example, China now holds the largest foreign currency reserves of any country. These are used to support the pegging of the renminbi (RMB) to the US dollar. These stockpiles are also used to support China's international trade policy. Increases in Chinese holdings of US dollars raises the value of the US dollar compared with the RMB, meaning that Chinese exports become cheaper than their US counterparts. Moreover, its exchange rate policy is closely monitored internationally, often shaping the exchange rate policy of other countries (Helleiner and Kirshner 2014). Meanwhile, significant infrastructure spending arising from the Belt and Road initiative (BRI) that spans central Asia, Central Africa and Eastern Europe involves financing from state-owned banks, sovereign wealth funds such as the China Investment Corporation as well as multilateral investment funds such as the Silk Road Fund. In so doing, the BRI therefore raises important questions about how these rapidly evolving financial institutions sit alongside and potentially reshape international financial relations (on which see Lim 2010, for example).

Respatialising Finance argues that the financial centre provides a valuable but hitherto comparatively neglected entry point into understanding RMB internationalisation. Indeed, in many ways, the lack of sustained engagement with financial centres in relation to RMB internationalisation is surprising because it has developed through a distinctive spatial footprint comprising a network of offshore (beyond mainland China) financial centres. Echoing Hong Kong's position as an experimental site for the reform and internationalisation of the Chinese economy more generally (Chen and Cheung 2011), Hong Kong became the first such centre in mid-2010 (Walter and Howie 2011). Since then, a small number of other financial centres, including Singapore, Taiwan and London, have developed significant RMB financial markets (Hall 2017). These offshore RMB centres can be defined as a financial centre 'outside [mainland] China that conducts a wide variety of financial services denominated in RMB' (ASIFMA 2014: 20) that connects with onshore financial services in mainland China (Subacchi and Huang 2012). These centres host a designated RMB clearing bank, hold sizable, although varying, amounts of RMB deposits and have seen the development of a range of RMB markets. They are supported by a number of offshore financial RMB hubs (such as Paris, Luxembourg and Frankfurt) that access mainland China partly through the offshore RMB centres. Hong Kong remains the largest offshore RMB centre and has been the most widely studied to date (see Fung and Yau 2012).

However, less attention has been paid to how and why financial centres beyond mainland China become enrolled within RMB internationalisation. *Respatialising Finance* responds to this by examining how and why London became the leading Western financial centre within the wider Chinese economic and political project of RMB internationalisation. My analysis is based on a research project dating back to 2015 that focused on the growth of wholesale Chinese finance in London's financial district. Echoing my earlier work on financial labour markets (Hall 2009), my initial interest lay in examining the growth of elite Chinese migration into London's financial district. However, I rapidly realised that, as with earlier rounds of financial labour market transformation in London, the growth of Chinese financiers and related professionals in London signalled a more profound and structural set of changes in terms of the place of Chinese finance in London's financial district. This was reflected in the popular discourse of the time. For example, in October 2015, the *Financial Times* ran the headline 'Chinese financial institutions grow closer to the heart of London' (Stafford 2015). The article documented London's rise as the first and leading western offshore centre (beyond mainland China) for financial products and markets denominated in the Chinese currency – the renminbi. The article was accompanied by a picture of the Chinese flag flying in the centre of London's historic financial district, close to the Bank of England, with the financial offices of Canary Wharf in the background. This suggested to me that marked changes were taking place in relation to the place of Chinese finance globally, and in London in particular.

As such, it quickly became apparent that my research would need to explore a range of different actors, including not only the individuals working in Chinese finance but also institutions, including banks, financial firms and regulators. By combining analysis of official data sources on RMB internationalisation in conjunction with in-depth research with people working in financial markets in London and Beijing, the arguments presented in this book identify the key actors involved in initiating and shaping RMB internationalisation. In particular, these findings reveal how state actors and regulators in both Beijing and London were critical in facilitating and promoting the development of RMB markets in London. For Beijing in particular, in many ways this finding is not surprising given the carefully planned nature of economic development in China that has increasingly been applied to its international economic development aspirations (Lim

2018). However, my analysis shows that intervention from the UK government, particularly through the then Prime Minister David Cameron and Chancellor George Osborne, was also important.

This analysis demonstrates the need for economic geographical research, and work in cognate social sciences, to place questions of the state, politics and power more centrally within work on the geographies of money and finance. Responding to this challenge forms the conceptual contribution of the book. Here, I argue that the meso scale of the international financial centre, bringing together the predominately macro-economic concerns of international political economy research on monetary transformation with the micro scale analysis of cultural economy approaches to financial market making, provides a valuable way of doing this. Before setting out the content of the subsequent chapters, I expand on this conceptual contribution made in *Respatialising Finance*.

Chinese Finance and the Geographies of Money

Narratives of monetary change and transformation, as well as work on international financial centres such as London, are by no means new within geographical research on money and finance. *Respatialising Finance* takes this literature as its starting point. Indeed, in many ways, processes of change and transformation have always characterised the development of the international financial system. For example, the collapse of the gold standard in the early 1970s and the associated move to floating exchange rates was a transformative moment in global finance and, as such, acted as a key development around which heterodox social scientists mobilised to create several of the key texts and seminal understandings of the contemporary international financial system (Corbridge et al. 1994; Leyshon and Thrift 1997; Strange 1986). One of the most significant insights to be developed within this work was an approach to the international financial system that emphasised its networked properties from a distinctly geographical perspective. In this work, the international financial system is understood as a series of networks of people, money, expertise, policy and regulation that are choreographed through a small number of international financial centres (Cassis and Wójcik 2018; Sassen 2001). This work is reflected in work in a range of social scientific disciplines adopting networks as a metaphor, theoretical approach and methodology to the study of money and finance including in geography (Pollard and Samers 2007), political economy (Fichtner et al. 2017) and cultural economy approaches to money and finance (MacKenzie 2004).

Influenced by wider thinking on networks drawing on actor network theory as well as assemblage thinking (Callon 1986; DeLanda, 2016), network approaches to global finance emphasise the range of actors, institutions and materialities, and crucially the interdependencies between them, in shaping the international financial system. Most importantly for my focus on international financial centres (IFCs), a considerable body of work has developed that emphasises the role of financial districts within global cities in choreographing international financial networks (Castells 2009; Friedmann 1986; Lavery et al. 2018; Sassen 2001). In order to fulfil this role in shaping a range of different types of global financial networks, these international financial districts contain significant clusters of financial and related advanced producer services firms notably law, accountancy and insurance firms. They also typically include a range of regulatory functions that shape the nature of financial processes and practices (Hall 2018). Given the significance of IFCs to the contemporary international financial system, a range of different literatures have developed that includes examining: the changing nature of their elite labour markets (Beaverstock and Boardwell 2000; Hall 2009; McDowell 1997); detailed accounts of everyday working life within these centres (Thrift 1994); and understandings of their political economic power beyond the realm of financial markets (Augar 2001).

Whilst the power of IFCs within global finance clearly pre-dates the 2007–2008 financial crisis, these centres serve to crystallise and reveal some of the most profound changes taking place within global finance. For example, during the 2000s, a focus on the financial labour markets within IFCs revealed a growing trend for quantitatively skilled financiers capable of working on the securitised financial markets that were central to both the period of finance-led growth in the 2000s and the ensuing financial crisis (Hall 2006; Hall and Appleyard 2009). Building on this work on elite financial labour markets, the initial motivation for the research project that underpins this book came from a growing recognition that the geographical composition of these labour markets was changing quite profoundly. In particular, I was struck by the growth of Chinese nationals working in IFCs, notably in London from the early 2010s onwards. This became the subject of several national newspaper headlines as headhunters struggled to recruit the number of mandarin speaking financiers demanded in London's financial district and Chinese state-owned banks began operating in the heart of London's international financial district (see, for example, Stafford 2015). Previous work has clearly demonstrated how other waves of internationalisation have shaped London as an IFC and by extension the international financial system, most notably the rise of investment banking business models led by US and later European banks at the expense of British merchant banking (Kynaston 2002). However, in the mid-2010s, very little had been written about the rise of Chinese financial institutions in London.

In *Respatialising Finance*, I explore how work on the changing nature of international finance as read through IFCs can be used to understand how and why London's financial centre became the partner of choice for both Chinese state policy regarding RMB internationalisation and Chinese financial institutions who sought to benefit from it. In so doing, I use the case of RMB internationalisation in London to develop a sympathetic critique of existing work in economic geography and more widely within the social sciences on international financial centres. This work has done much to explain how and why a small number of financial districts play a vital role in shaping global monetary and financial relations. However, processes of RMB internationalisation reveal that more attention needs to be paid to the political as well as the economic relations that underpin international financial centres. As the analysis in the rest of this book shows, it is very hard to understand RMB internationalisation without studying the role of the Chinese state and the People's Bank of China in particular in initiating the process, and through regulatory decisions, continuing to shape the parameters of its size and scope. As such, whilst private sector advanced producer services firms are involved in the process, actors which are heavily studied within extant work on IFCs, the case of RMB internationalisation suggests that a broader range of actors – including policymakers and regulators as well as the political contexts in which financial markets are made – need to be given more attention than has typically been the case hitherto.

The case of RMB internationalisation also indicates how work on the spatial imaginaries of IFCs themselves can also be helpfully developed. In much of the work on IFCs to date, they are assumed, albeit implicitly, to be facilitators of global financial flows through the networks of advanced producer service (APS) firms that cluster within them. However, if we attend to the politics of these networks, by extension the analysis in *Respatialising Finance* calls for a more active understanding of IFCs beyond that of more passive containers. This approach draws attention to the ways in which IFCs themselves are changed by as well as changing global finance.

Politics, Power and Respatialising Understandings of International Financial Centres

In order to develop understandings of IFCs within RMB internationalisation, I locate my analysis within work on international political economy that has been centrally concerned with RMB internationalisation. Indeed, whilst the geographical literature had paid relatively little attention to the process of RMB internationalisation and Chinese financial market reform more widely, there is a growing literature led by international political economy (IPE) scholars (Eichengreen 2012; Prasad 2017). This literature draws on wider debates in international political economy that are broadly concerned with the intersection between money and state power (and interestingly, whilst recent geographical scholarship on international finance has typically focused on finance, IPE work has tended to focus on money). This work explores how currency competition contributes to the changing distribution of power internationally (Cohen 1998).

Although the title of Benjamin Cohen's book is *The Geography of Money*, it is striking that this focus on the international political, economic and social relations of money have not been widely studied within recent work economic geography. This comes despite the fact that earlier work on the geographies of money and finance draws heavily on insights from international political economy in the study of some of the key transformations in global finance such as the implications of the collapse of Bretton Woods and the associated ending of the gold standard for the international financial system (Leyshon and Thrift 1997; Leyshon and Tickell 1994; Strange 1986). Whilst economic geography research on money and finance turned its attention increasingly to financial centres and financialisation, for scholars working in an IPE tradition, a key concern remained as to how increased cross-border monetary flows prompted changes in state power within the international financial system (Cerny 2010; Cohen 2017). More recent work has explored how such power constraints are particularly acute for developing countries because of their relative inability to borrow from global financial markets (Alami 2018). However, whilst it is in IPE that the fullest engagement by social sciences with RMB internationalisation can be found, the research presented in this book points to two limitations of this literature.

First, IPE work on global monetary relations has, over the past 20 years, become increasingly focused on national monetary and financial policy concerns with less attention being paid to the processes and politics of change at the macro, international level (Cohen 2017). Whilst this provides an important analytical framework with which to understand the domestic policy context within China, which has given rise to the process of RMB internationalisation, it provides far fewer insights into how this domestic policy agenda has been rendered mobile and expanded internationally, the drivers for this outside of China and the economic and political relations between states and financial markets that have subsequently given substantive form to the process of RMB internationalisation.

Second, and following on, IPE work on money and finance, including that on RMB internationalisation, remains largely focused at the national scale and has placed particular emphasis on the potential endpoints of RMB internationalisation as found in debates concerning the ability of the RMB to challenge the US dollar as the global reserve currency. In some ways this echoes the limited geographical imaginations that have, until recently, dominated work on financialisation, which again have focused on particular scales of analysis (particularly the firm and the nation state) with much less attention being paid to other sites such as the household or the region (French et al. 2011). These foci did not provide me with the theoretical and methodological tools to examine how practices at the subnational level, namely within international financial centres such as London, become enrolled within and shape the process of RMB internationalisation. Questions therefore remained about why London's financial sector and its policymakers and regulators were committed to becoming part of the RMB internationalisation process? What was the process that led to the mobility of RMB financial policy into London? And what can these changes tell us both about the changing nature of global finance as China seeks to become more fully involved (albeit on its own terms) and the implications of this for established international financial centres such as London.

These questions are shared with other scholars who raise concerns about whether this literature is too focused on the economic dimensions of RMB internationalisation, thereby neglecting its multifaceted and particularly its political dimensions. As Helleiner and Kirshner (2014: 2) argue:

> "To date, the study of China's increasingly important role in the international monetary system was focused primarily on economic questions and technical issues, with much less detailed attention given to the politics of China's international monetary relations"

In response, *Respatialising Finance* takes the changing international political economy of global financial networks as its starting point but argues that the financial district, or what are often known as international financial centres, provide an analytically and empirically valuable concrete entry point into understanding how global finance is as much a political as it is an economic relation (see also Hall 2017). In so doing, a focus on IFCs provides a valuable corrective to nation-state centrism that dominates other disciplinary work on finance, particularly that in IPE. As a result, a key contribution of this book is to rethink the conceptual and analytical purchase afforded to us by IFCs as well as the empirical challenge of placing and understanding London's role within RMB internationalisation in particular. In terms of work on IFCs from an IPE perspective, work has been increasingly attentive to the reciprocal interaction between domestic institutions and transnational processes (Farrell and Newman 2014) but it continues to offer very limited engagement with questions of spatiality, frequently overlooking the importance of the urban scale when thinking about global transformation.

The financial district and the financial centre are one of the central leitmotifs of geographical work on money and finance. However, and certainly more recently, this literature is characterised by an emphasis on the economic, social and cultural dimensions of money and finance. For example, as Cassis (2010) notes, the majority of work has centred on the identification of external economies of scale available to firms and financial institutions beyond their firm boundaries through being co-located with each other including: highly liquid financial markets; the development of 'buzz' (Storper and Venables 2004) between financiers within financial clusters that facilitated processes of innovation in the production of financial products; and the deep and dense highly skilled labour markets within financial districts (Beaverstock and Hall 2012). As a result, less has been written at the scale of the financial district or centre on the politics and power relations that shape their activities.

However, whilst questions of power and political relations have not been studied widely through work that explicitly focuses on IFCs, the same is not true of wider interdisciplinary work on contemporary changes in the international financial system, including within geography (see for example Agnew 2012). For example, there is growing interest from scholars working in a heterodox economics tradition in the ways in which currencies are tied into the international financial system in asymmetric ways such that the power of some currencies is structurally limited because of their inter-state relations with other currencies (Kaltenbrunner 2015; Kaltenbrunner and Painceira 2018).

Beyond this work, there is also a growing interest amongst economic geographers in state capitalism (Alami and Dixon 2019; Lim 2018). As Alami and Dixon (2019) make clear, whilst this work has done much to remind us of the connections between capitalism firms and the state, including in relation to the increasingly international orientation of China, it has been criticized for being eclectic and wide ranging in its focus, and as a result can lack analytical precision. In *Respatialising Finance*, I use work on state capitalism to remind us that state capitalist arrangements are always temporary and hence, in many ways, the analysis of London as an IFC reflects the times at which the research was undertaken – in some ways the high point in Sino-UK relations in the mid-2010s as the state capitalist relations between the UK and China have become more strained and politicized since the research in this book was completed. I also suggest that the IFC represents an important space in which state capitalism can be located and a space in which many of its logics as they relate to financial policy and practice are enacted.

Theorising Global Finance from Financial Centres

In *Respatialising Finance*, I build on these interventions by demonstrating the value of the site of the IFC as an analytical entry point into the economic, social *and* political dimensions of global finance. I do this by arguing that IFCs offer a way of developing understandings of global finance from the meso scale of the IFC that offers a sympathetic critique of the macro-scale focus of IPE. By focusing on how RMB markets were made in practice in London, I argue that using IFCs as analytical entry points into global finance provides a valuable way of examining how challenges to existing power and authority within the international financial system are developed, what the implications are of this for different types of actors within global finance, and the implications of this for continuity and change within the financial system.

I do this by drawing on work on the cultural economy of market making (in order to understand the 'work' and practices within IFCs that go on to make up the international financial system) and the recent renewed interest on territoriality within economic geography (in order to understand how IFCs as places become enrolled in and are changed by global finance). Taking the interdisciplinary literature on the cultural economy of market making within financial centres first, the advantage of drawing on this work is that it emphasises the everyday practices through which financial markets are made at the micro scale (for summaries see MacKenzie 2003a, 2003b, 2005; Muniesa 2007). In so doing, the uncertainties and fragilities of making new RMB markets are revealed in ways that are not clear within the IPE approach. However, by drawing on this work, it becomes clear that the space of the financial district is not an inert backdrop through which financial markets globally are controlled. Rather, the space of the financial district is being remade through the process of making new forms of financial markets (in this case those associated with offshore RMB finance).

In order to conceptualise this, I argue more attention can fruitfully be paid to the territoriality of financial centres. Drawing on the increasing interest in territory in economic geography and beyond (see Christophers 2014; Elden 2005, 2010; Sassen 2008), I demonstrate how the territorial construction of London's financial district, understood as the (re)production of the space of London's financial district through state intervention in setting the institutional and regulatory parameters of legitimate financial activity is vitally important in both respatialising our understandings of financial centres but also in understanding and explaining empirically the development of offshore RMB markets in London.

This work understands territory as a way of making and managing space through legal and other regulatory frameworks (Elden 2005, 2010). In terms of work on the geographies of finance, this approach has been developed through the long-standing interest in offshore finance that emphasizes the ways in which offshore space is constructed through the variation of state sovereignty across space (Palan 2006; Roberts 1995). Meanwhile, Pike and Pollard (2010: 38) argue that the vast literature on financialisation needs to remain attentive to the 'tensions between territorial and relational conceptions of space and place'. Christophers (2014: 755) has taken this analysis a stage further by examining how:

> "Modern capitalism is constantly in the process of enacting territorial fixes: constituting, segmenting, differentiating and extracting value from actively territorialized markets at a range of geographical scales"

This provides a valuable extension of Harvey's (1982) understanding of spatial fixes by demonstrating how capitalism seeks to overcome its crisis-prone tendencies not only through spatial expansion but also through the remaking of space through regulatory and other political interventions.

By integrating work in IPE on monetary transformation with cultural economy literatures on market making and the growing interest in territory as found in the state rescaling literature, the central conceptual contribution made in *Respatialising Finance* is its insistence that financial centres need to be seen as territorial fixes. The remaking of their regulatory, political, economic and epistemic space aims to (re)produce their institutional arrangements of rules, informal customs and practices both within the financial centre but also by uploading these norms into the international financial system more generally. In so doing, I argue that they are places where aspirations are set out in both the private and public sector. They are also spaces where power games are played out and different visions of what global finance is or could be are then uploaded into the international arena. This approach then provides greater specificity to claims frequently made that IFCs are 'obligatory passage points'. In this respect I argue that they are obligatory passage points in the ways in which flows come through them but take this a stage further by thinking about how the flows that are frequently studied become reengineered and then uploaded into global finance. In short, by understanding financial centres as a territorial fix, I'm interested in the ways in which they are both shaped by but also shape the production of global finance in particular ways.

This approach gives rise to the title of the book because it points to three ways in which our understandings of IFCs and the international financial system of which they are a part can, and indeed should, be respatialised in three important ways.First, *Respatialising Finance* draws attention to the range of different scales in which politics is operationalised within the financial system. For sure, state actors are crucial here, but the analysis also reminds us to attend to the ways in which policymakers at the city level are important, but hitherto often overlooked, agents in shaping the nature of financial centres and in turn the shape of the international financial system. This is the first sense in which respatialising is at work in this book – thinking more explicitly about the politics and power at work within particular places, namely financial centres in the international financial system.

In so doing, I use work on state capitalism and particularly Alami and Dixon's (2020) call to think more carefully about where state capitalism is located. I argue that this is a valuable response to criticisms of world city approaches to IFCs that Brenner (1998) suggests have tended to endorse a 'zero-sum' approach to spatial scale that inaccurately posits the retreat of state authority as a necessary precondition for the increased significance of global processes. In so doing, my approach retains the focus on the city that world city approaches provide but I seek to move beyond a 'global/local dualism' that has, 'deflected attention away from the crucial role of the state scale in the currently enfolding transformation of world capitalism' Brenner (1998:2).

Second, *Respatialising Finance* does not see IFCs only as receptors of the flows of people, capital, ideas and regulations that make up global finance. Rather, IFCs are understood as places in which the norms of global finance are practised, debated and altered in ways that shape global finance. This approach goes beyond understandings of IFCs as 'obligatory passage points' (Van Meeteren and Bassens 2016) that are desirable locations for firms because of the market access and liquidity, concentration of business skills, and infrastructure that they will benefit from by being located there. This is undoubtedly true and is reproduced through a now significant consultancy industry that seeks to assess the relative benefits for firms of being located in particular cities (see, for example, the annual rankings of financial centres produced by the consultants Z/Yen). However, in this reading, cities, and in the case of *Respatialising Finance*, financial districts within them in particular, are rather inert. They are sources of attraction for firms but the implications of this for the wider networks of which the cities are a part has been relatively overlooked. *Respatialising Finance* is concerned with how practices, regulations and conventions developed in IFCs are 'uploaded' to the international financial system – thereby shaping global finance in important ways.

Third, this book seeks to *respatialise* our understandings of global finance by thinking carefully about the geography of work on financial centre networks. This has been clearly identified by work that criticises the global cities approach for predominately focusing its attention on cities in the Global North (Robinson 2002). This geography is certainly reflected work on financial centres with the greatest attention paid to the so-called NY–LON connection between London and New York (Beaverstock 2005; Sassen 2001). Indeed, calls have been made for economic geography, including work on financial geography to decentre its focus beyond these key sites in Anglo-American capitalism (Pollard and Samers 2007). Recently, this has begun to be addressed through research that examines the operation of global cities and international financial centres beyond Europe and North America. For example, Lai has examined the relations of competition and cooperation between financial centres in Asia (Lai 2012) and others have explored developments in Asia (Kleibert and Kippers 2016).

The Structure of the Book

I develop this argument in seven further chapters that are divided into two parts. In Part I, Chapters 2 and 3 set out the theoretical basis and contribution of the book. In Chapter 2, I position RMB internationalisation within wider political economy approaches to international finance with a particular focus on the different ways in which the state plays an important role in shaping global finance. In Chapter 3, I explore how the financial district might be productively added to this literature in order to develop a meso-scale understanding of the financial centre as a territorial fix that is both shaped by and shapes global finance. In Part II of the book I operationalise and develop this conceptual approach through the case of RMB market making in London. In Chapter 4, I set out London's role in RMB internationalization in more detail before describing my methodological strategies. Chapters 5, 6 and 7 each offer a different spatial cut through the ways in which London's IFC serves as a territorial fix within RMB internationalisation.

In the second half of the book, I show how London's financial district is not an inert backdrop upon which RMB internationalisation unfolds. Rather

I focus on how IFCs, such as London, upload practices, conventions and relations into the global financial system of which they are a critical part. By focusing on the ways in which London has been enrolled into and shapes RMB internationalisation, I also aim at showing the fragilities, as well as the progress, of RMB internationalisation. These fragilities are particularly acute in relation to the challenges of aligning the interests of the Chinese state and the People's Bank of China in particular who orchestrate the regulatory framework and parameters of RMB internationalisation with private sector financial market actors in the UK who are typically far less concerned with the success or failure of the wider process of RMB internationalisation. Indeed, my analysis in the second half of the book suggests that these relations will be central in determining the future shape of RMB internationalisation and London's place within it.

In Chapter 5 I focus on how and why London was identified as being a financial centre that had the potential to serve as a territorial fix to meet political and economic aspirations in both London and Beijing. In Chapter 6, I turn to the work of Chinese financiers working in London and their employing financial institutions. Very little work thus far on RMB internationalisation has studied the process through the individuals working in financial markets and in related fields, notably in legal services. Here I focus on the extent to which the labour markets that have developed to serve RMB internationalisation based largely around elite Chinese migration to London are integrated, or not with existing international financial labour markets in London. Empirically, the analysis in this chapter points to the relatively limited ways in which Chinese finance has become embedded within London. This is in contrast to previous rounds of internationalisation in the City, notably through the rise of the US investment banking model in the 1980s that changed banking business models in the City far beyond the US firms through which it was imported (Kynaston 2002). Conceptually, this chapter demonstrates how respatialising our understandings of elite labour markets beyond financial centres in North America and Europe can enhance our understandings of financial work. In particular, I show how the state and state policy figures in what are often assumed to be highly liberal labour markets.

In Chapter 7, I shift scales again and focus on specific pieces of regulation that have been central to RMB internationalisation. In this chapter, I explore how such an approach allows the development of a more politically sensitive reading of how financial markets are made than has typified the cultural economy literature on finance to date (Hall 2011). I argue that the financial centre provides an important research site to develop this work because it reveals how the micro practices surrounding the implementation of specific regulations is co-constitutive of the financial and monetary networks of which they are a part. In so doing, I examine in more detail what it means to understand London as offshore within RMB internationalisation. As such, whilst each of these chapters focus on a particular aspect of RMB internationalisation and the relational optic that it produces, it is important to note that the multidimensional nature of RMB internationalisation means that each chapter inevitably also touches on the optics that are the focus of the other chapters.

In the final chapter I reflect on how a respatialised understanding of financial centres that takes seriously the ways in which they serve as territorial fixes that both respond to the changing nature of global finance but also shape it in particular ways through the production of relational optics might be used not only to understand both RMB internationalisation and London's role within it but also develop more geographically and politically sensitive readings of global finance more broadly. This wider theoretical as well as empirical contribution is important because studying an empirical phenomenon such as RMB internationalisation is challenging given the pace of change.

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