doi:10.1093/cdj/bsaa057
Advance Access Publication 24 November 2020

# Editorial
# Community development and financialization: making the connections

**Fergal Finnegan, Niamh McCrea* and Nessa Ní Chasaide**

**Abstract** The current period of finance-driven capitalism, which can be broadly dated from the mid-1970s, has had profound implications for community development. Yet there is relatively little sustained engagement with research on financialized capitalism in community development circles. Bringing together writers and activists from a variety of contexts, the purpose of this special issue is to demonstrate the significance of financialization and its connections, on various levels, to community development globally. This introductory article synthesizes the insights of our contributors with scholarship from the fields of critical political economy, economic and historical sociology, and social movement studies, among others. In doing so, it analyses the diverse and variegated ways financialized capitalism is affecting communities' access to public resources, affordable housing, safe and stable livelihoods, and a clean and healthy environment. We also highlight how the complexity and depth of financialization, and the extent to which it relies on highly specialized and inaccessible forms of knowledge to reproduce itself, impacts on community development as a form of praxis. The institutional cover provided to the system of finance by states and international financial institutions, and by certain NGOs and community organizations, has deeply embedded financialization at macro, micro and meso levels of the economy and society. However, while financialization places profound and often insurmountable constraints on community development's democratic ideals, some of our contributors have pointed to possible

**Address for correspondence*: Niamh McCrea, Department of Humanities, Institute of Technology Carlow, Ireland. email: Niamh.McCrea@itcarlow.ie

ways forward. These are characterized by intensive popular education, political engagement and action. We also outline these in the hope that the special issue will contribute to more discussion of these vital processes and stimulate further purposive action.

## Introduction

Financialization can be regarded as one of the 'grand transformations' in how capitalism is organized (Ó Riain *et al.*, 2015). The deep significance of this transformation has prompted widespread interest and scholarly research (see Mader, Mertens, and van der Zwan, 2020 for a useful overview). Much of this research emerged in the wake of the 2007–2008 financial crisis, when the economic instability associated with the growth in global finance, and its dramatic effects on people's lives, came painfully into view[1]. In assembling this special issue, we started from the conviction that this period of finance-driven capitalism, which can be broadly dated from the mid-1970s[2], has had profound implications for community development. It is our view that without an understanding of financialization, the source of many of the economic, political, and affective[3] inequalities that impact communities globally will remain largely obscured, and our responses to those inequalities, inadequate. Yet there is relatively little sustained engagement with research on financialized capitalism in community development circles. In fact, despite a commitment to the values of equality, anti-oppressive practice, redistribution, and sustainable development, many community development practice manuals do not mention capitalism at all (e.g. Federation of Community Development Learning, 2015; All Ireland Endorsement Body for Community Work Education and Training, 2016; International Association for Community Development, 2018).

1 It must be stressed of course that people in the Global South had been campaigning against the adverse effects of financial power for decades prior to the 2008 financial crisis, particularly in relation to unjust debts and associated structural adjustment programmes and there is a substantial academic literature on this (see Kvangraven *et al.*; Amanor, this issue). Allami and Cibils (2018) also highlight that since the 1990s there have been financial crises in Mexico (1994), Southeast Asia (1997), Russia (1999), Brazil (1999), Turkey (2001), and Argentina (2001–2002).

2 Taking a long view, Arrighi and Silver (1999) argue that contemporary financialization is not a new phenomenon. Rather they see the rise of finance as coinciding with the search of a declining hegemon for additional wealth and power. While there is debate about whether contemporary financialization qualifies as a new 'epoch' or 'stage' in the long view of capitalist history, there is little doubt that we are living in a period intensely shaped by a financialized form of capitalism (Sawyer, 2013).

3 Affective equality refers to equality in relations of love, care, and solidarity. It has both relational and distributive aspects (Baker, 2015).

The overall purpose of this special issue is to demonstrate the significance of financialized capitalism and its connections, on various levels, to community development. The subordinate aims are 3-fold. Firstly, we want, through the selected articles, to illuminate the diverse and variegated ways financialized capitalism has developed and some of its most important features. This includes identifying where financialization is intensely at work and where it is working differently, if at all, or in more 'subordinated' ways. Secondly, we want to trace some of the ways the structures of financialized capitalism constrain, enable, or even eviscerate the potential for community development. Thirdly, we want the special issue to give some sense of the vitality, diversity, and main lines of inquiry within the interdisciplinary research on financialization.

As our various contributors make clear, while there is widespread agreement on the significance of financialization, there is considerable debate between researchers about what precisely is driving it, how significant it is in different locations, and how exactly we should respond to its effects. The secular transformation of financialization is described in different ways. One of the best-known definitions has been that offered by Gerald Epstein (2005, p. 3) who characterizes financialization as 'the increasing role of financial motives, financial markets, financial actors, and financial institutions in the operation of the domestic and international economies'. The value of Epstein's description is that it facilitates exploration of the diverse and multi-levelled drivers, and effects, of the phenomenon that is financialization. Other theorists have focused more specifically on financialization as a process of economic restructuring involving changes in the way profits are accumulated in the global economy. Of particular influence has been Greta Krippner's (2011) seminal study, which shows that by 2001, profits of the financial sector of the US economy represented 40 percent of total profits in the US economy. Financialization has effected changes well beyond the financial and banking sector and has altered how non-financial firms[4] and households operate as well (Lapavitsas, 2013)[5]. Indeed, Krippner highlights

4 By way of illustrative examples, UK supermarket chain Sainsbury's now sells insurance and banking services, whereas Tesco, another supermarket company, may buy up land with the intention of speculative accumulation, rather than using it as a site for building a store. Enron, the infamous corporation that went bankrupt in 2001, was originally involved in the sale of natural gas and electricity before branching out into the trade of financial assets, in particular weather and energy derivatives (derivatives are financial contracts that derive their value from the performance of some underlying asset or benchmark such as commodities or interest rates) (Dutta, 2018). As Dutta (2018, p. 12) points out, 'although the Enron scandal is usually taken to be an example of criminal fraud and governance failure, it is also illustrative of the wider process of financialization'.

5 Lapavitsas (2013) argues that we can trace the rise of accumulation through finance empirically in mature capitalist economies in a number of ways, including the share of profit accrued through finance and the ratio of financial assets relative to gross domestic product. This occurs unevenly and in varied ways,

that the profits of non-financial firms in the productive sector[6], supplement, or increasingly '*substitute* for earnings from traditional productive activities' (Krippner, 2011, p. 3, emphasis in original).

The evolution of financialized capitalism is intertwined with neoliberalism, albeit in ways that continue to be debated (Sawyer, 2013). The promotion of the neoliberal idea of 'market freedom' has led to global economic deregulation, with financial deregulation arguably constituting its most central project (Cahill *et al.*, 2018). Despite the association with neoliberalism of the 'rolling back of the state', neoliberalism has in fact involved active 'market construction' as a result of state action (Cahill *et al.*, 2018). This has been driven by the interventions of leading capitalist states reconfigured by neoliberal politics (especially the United States and United Kingdom), albeit along varied, historically dependent paths (Jessop, 2013; Lapavitsas, 2013)[7]. States that are less fully integrated into the financialized economy have more limited options and choices, not least due to their dependency on the conditions of available external finance and investment (see in this issue, Gilbertson; Escobar and Grubbauer; Kvangraven *et al.*; and Amanor).

Robert Guttmann (2017, pp. 859–860) outlines how deregulated finance has become embedded within and across multiple scales via two modes of actions, which he terms 'financial centralization' and 'financial concentration'. 'Financial centralization' relates to the increase in financial assets on the balance sheets of households and firms along with corresponding increases in debt (because higher debt levels became expected and acceptable, including for goods such as education that have previously been publicly provided). This, he argues, coincides with 'financial concentration' that describes the global increase in institutions and markets providing finance. These institutions and markets were empowered by the deregulation of finance, its computerization, and globalization.

Thus, finance is much more than a 'sector'. Rather, it has become a *system* that connects 'macro' economic events, such as financial crises and housing shortages (Blakeley, this issue), meso-level institutional logics and practices such as audit and investment strategies (Chiapello, 2020; Huckfield; Ní Chasaide; Kvangraven *et al.*, this issue), and micro-level mechanisms among

but he links this to systemic problems in capital accumulation across leading mature capitalist economies. This draws on a Marxist theory of crisis and a critical reading of Arrighi's (2009) history of capitalism.

6 The 'productive' or so-called 'real' economy refers to those sectors involved in the production and sale of goods and services as distinct from intangible financial assets.

7 For example, a key deregulatory measure in the United States included the repeal of the Glass–Steagall Act in 1999 that reversed the separation of retail and investment banking by allowing bank holding companies to earn up to 25 percent of their revenues in investment banking (Sherman, 2009). See Blakeley (this issue) for a discussion of some examples of financial deregulation in the United Kingdom.

individuals, households, and communities such as pensions[8], mortgages, or other forms of debt (Sayer, 2015; Soederberg, 2014; Dukelow and Kennett, 2018; Huckfield; Escobar, and Grubbauer, this issue). For Cédric Durand (2017), the depth and extent of financialization is such that it is not only shaping the present but is also 'appropriating the future', that is to say that, if unchecked, the dynamics and contradictions of financialized capitalism will have disastrous social and economic consequences (see also Sayer, 2015; Gilbertson, this issue).

In the remainder of this introductory article, we elaborate on how these structural changes go to the heart of enduring concerns within the community development field relating to political and economic equality and consider in particular the ways in which financialization impedes the realization of community development's democratic ideals. We then outline, with reference to the articles in the special issue, and to the wider literature, some of the specific and varied ways in which financialization is reconfiguring the contexts in which community development is currently practiced. The penultimate section explores some of the challenges faced by movements and community activists in resisting financialized capitalism and how they are responding through organizing, democratic knowledge production, and popular education.

## Financialization, equality, and democracy

Financialization is central to two significant and closely related phenomena that present major challenges for progressive community development. Firstly, this period of capitalism has been marked by the sharp growth in economic inequality[9] (Sayer, 2015; Piketty, 2017). And secondly, we have seen a weakening of the capacity of democratic institutions, and movements of people, to challenge inequality and, consequently, the shape of life in their communities (Mair, 2013; Revelli, 2019).

The era of financialized capitalism and neoliberal politics has presented what Eoin Flaherty (2017) views as a historically specific regime of inequality. He writes that 'the rise of finance has also been identified

8 As Sayer (2013, p. 173) explains, the top 40 percent of households in the United Kingdom have their savings invested in the stock market through pensions and life assurance polices. Such households own the majority of shares in the United States and United Kingdom via institutional investors like pension and insurance funds, a situation that contributes significantly to inequalities in retirement. Sayer also highlights these people's dual or 'contradictory' class location: most of their income derives from wages or salaries, while at the same time, they are indirectly engaged in wealth extraction by means of their rentier income 'from a largely parasitic stock market'.

9 As Milanovic (2016) points out, while inequalities in wealth have risen, this has been accompanied by the growth of the size and wealth of the middle class in significant portions of the world especially in Asia.

as a stressor of both personal income inequality, and of the division of national income between capital and labour' (2015, p. 418). Flaherty (drawing on Foster and Holleman, 2010) argues there is a 'financial power elite' who are 'deriving their wealth from financial profits, real estate and executive compensation' (2015, p. 418). For example, he points out that, in OECD countries from 1979 to 2005, CEO pay increased from 38 times that of the average worker to 262 (2016, p. 15). The top corporate executives are rewarded for increasing shareholder profits that they achieve through intensified financialized corporate activity (such as increased use of tradable financial instruments) (see also Kay, 2015; Sayer, 2015). Financialized corporate activity, while rewarding high corporate earners and shareholders, has happened alongside a drive towards cost cutting with 'downward pressure on real wages' (Lapavitsas, 2013, p. 190) and less employment protection, which has 'hit those at the bottom half of the income distribution hardest' (Sayer, 2015, p. 186). A number of commentators trace this to the weakening of labour relative to capital due to the mutually reinforcing effects of deregulated financialized activity, the expansion of the labour market, increased capital mobility, technological change, and a diminished organized labour movement (Brown, Lauder, and Ashton, 2011; Harvey, 2011; Flaherty, 2015). In addition, Olivier Godechot (2020) argues that there is cumulative evidence to show that growth of high-wage financial sectors in the Global North is linked to increasing indebtedness of low-income households.

Rising economic inequality associated with financialization is therefore intertwined with political inequality and weakening of democracy. Nolke (2020) has linked the unprecedented political influence of the financial sector to its size, its deeply networked character, and the technical complexity of its operations. This gives it massive lobbying power in influencing regulatory rules (Pagliari and Young, 2020). The dense institutional linkages within the financial sector heighten the risk of systemic contagion. It also results in the sector being deemed 'too big to fail', thereby constricting the range of possible political responses to it, making it subject to state bailouts, whether there is public support available for that or not (Nolke, 2020).

A further challenge to democratic equality is that, since the 1980s, governments have relied on borrowing from financial markets, and on financial innovation, to fund public spending to a greater extent than before. These constraints have a direct effect on social policy, welfare expenditure, and economic development strategies. It also means that states are increasingly vulnerable to the disciplining effects of investor interests including the decisions of credit-rating agencies (that evaluate the level of risk involved in lending and so help to determine the cost of borrowing).

The 'Great Recession' that followed the 2007–2008 financial crisis is studded with examples of democracy being constrained by supranational bodies and ratings agencies. Greece is a devastating example, where crippling austerity measures and the sale of public assets were implemented despite widespread popular opposition to the proposals of the 'troika' of lenders—the European Commission, European Central Bank, and International Monetary Fund (Jessop, 2013; Karwowski, 2019; Nolke, 2020). A further example is the case of Argentina that has endured years of legal action against it from private lenders (so-called 'vulture funds') causing it to borrow very significantly to simply pay these particularly profiteering lenders (Jubilee Debt Campaign, 2020). The tensions between popular sovereignty, public welfare, and financial market power also play out at the level of municipal governance such that, in many cities, creditors have become what Peck and Whiteside (2016, p. 245) call a 'second constituency'. Such trends have led Jessop (2013) to discern the emergence of a 'post-democratic' version of capitalism.

The technical complexity of financial processes and instruments creates other difficulties in democratic decision-making that involve financial expertise. This is evident for example, in the increased role of financial sector representatives in regulatory and advisory bodies at national and international levels, or in advising multinational corporations (MNCs) on their financial strategies (see Ní Chasaide, this issue). As this suggests, the political and economic power of finance is not just sustained by the owners of capital or their political allies. Financialization involves a whole host of unaccountable professional and managerial intermediaries whose roles are defined by access to, and use of, specialist forms of knowledge (Folkman *et al.*, 2007; Ban, Seabrooke, and Freitas, 2016). For example, the fundamental role of lawyers within this nexus has been powerfully illuminated by Katharina Pistor (2019, pp. 2–4) who explains that law is 'the very cloth from which capital is cut'. Without its legal 'coding', an unadulterated asset is 'just that: a piece of dirt, a building, a promise to receive payment at a future date, an idea for a new drug …'. It is the law that converts it into a source of wealth, backed up by the coercive power of the state. As Pistor (2019) amply illustrates, the extraordinary power wielded by private lawyers in global wealth distribution is a crucial factor in mediating relations between states and the interests of capital.

## Financialization and community development

In the last two sections we outlined some of the constitutive features of financialization, as well as the political, economic, and epistemic inequalities that are generated as a result. While these general trends are important for community development, in this part of our introductory article, we discuss their significance with greater specificity and link them to the insights offered by the contributors to this issue.

Firstly, we emphasize how financialization affects the day-to-day lives of people in communities globally, both directly and indirectly. To make sense of this we need to bear in mind that communities are not simple entities with clearly defined territorial boundaries. Rather, they are produced relationally and structured and transformed by both proximate and distant powers and mechanisms (Bhaskar, 1979; Massey, 2005; Appardurai, 2013). Every specific community emerges through the complex intermeshing of processes on various scales through both space and time (e.g. the ways in which family and neighbourhood cultures are shaped by industrialization and housing policies). All the articles in the special issue illuminate the varied and significant impacts of financialization and the complex processes involved. An account of their main arguments in this respect is provided in the subsections 'The multiple impacts of financialization on the welfare of communities' and 'The uneven impact of financialization globally' below.

Secondly, we highlight how financialization is influencing community development as a purposive practice of collective action. Community development aims to shape aspects of community life in a consciously chosen direction. It assumes that in the face of structural barriers, communities can act and make material differences in people's lives. To do this effectively means making sense of what is happening and why. This is what Paulo Freire called 'reading the world' (Freire and Macedo, 1987) at various levels so that community members can come together and democratize social relationships within and beyond the state (Popple, 2015; Ife, 2016; see Escobar and Grubbauer; Silver *et al.*, this issue). However, financialization places profound, wide-reaching, and often insurmountable constraints on the democratization of expertise and the mobilization of community agency. This is because, as Pistor (2019) argues, many important processes that are shaping community life, and which are driven or influenced by financialization, are so arcane and complex and/or actively hidden or mystified that they remain poorly understood (see also Ní Chasaide; Silver *et al.*; Blakeley, this issue). Moreover, even where the arcane processes are revealed or explained, it remains the case that finance is characterized by relationships of domination (see in this issue Amanor; Gilbertson; Escobar and Grubbauer; Kvangraven *et al.*). It structures societies in particular ways, conferring asset holders with the prospect of huge wealth and power, undermining the democratic claim of equality before the law (Pistor, 2019) and inhibiting the 'empowerment' to which community development aspires. All the articles in the special issue demonstrate the significance of these challenges.

Despite these barriers, the special issue contains two articles that analyse instances where communities have sought to defy the logic of finance-driven development. These are elaborated upon in the subsection 'Democratic knowledge production and resisting financialization'. After this, we turn to a brief concluding discussion in which we draw out some implications of such resistance for community development praxis against financialized capitalism and towards the creation of a more egalitarian and sustainable social, political, and economic order.

*The multiple impacts of financialization on the welfare of communities*

Four of the articles featured in the special issue highlight the intended and unintended consequences of the complicated, highly mediated, and obscured processes on four fundamental issues of public welfare impacting communities, namely, taxation, housing, community services, and the environment.

Nessa Ní Chasaide looks at corporate tax avoidance and the complex way this 'game' is played. Ireland, a key node in corporate tax avoidance internationally, is offered as a fascinating case study of how this is facilitated and achieved. Ní Chasaide outlines how this evolved and the extent to which this is now deeply embedded in economic policy in the Republic of Ireland. She details the main ways MNCs achieve this, via intra-company financial transactions alongside the reorganization of internal corporate functions. It illustrates the scale, as well as the organizational, legal, and regulatory sophistication of the global tax games. This not only advantages the MNCs and Irish intermediaries but also has profound implications for communities living in different types of corporate tax jurisdictions. Ní Chasaide highlights a combination of a kind of denialism and lack of awareness that is present in such a low-tax state. In other words, there is a denial by the state of its problematic role, and its consequences for communities elsewhere, as well as uneven awareness among people living in the state of the mechanisms and effects of the international tax game.

As Aalbers (2009) has explained, contemporary housing markets are characterized by a 'chain' of financial contracts and effects. The chain starts with the local (e.g. where a mortgage is taken out on a property), goes national (via lenders), then turns global by means of mortgage-backed securities[10],

10 In essence, securitization involves the trade of illiquid assets such as credit card debt or car loans, but as Dutta (2018) points out, it can be applied to 'anything with a regular income' and cites as an example the 'Bowie Bond', the sale of which, provided rock star David Bowie with immediate income based upon future royalties. Mortgage-backed securities involve bundling up residential mortgage loans and selling these on as an asset with a view to generating income from interest repayments. Securitization has been described by *The Guardian* as the 'crack cocaine of the financial sector' (cited in Dutta, 2018, p. 5).

before going local again. This raises questions about the effects of these interrelationships on cities, local governments, and neighbourhoods. Grace Blakeley provides a coherent national example of such a global 'chain', in this case, relating to the financialization of housing in the United Kingdom. Blakeley explores the successive economic and monetary policy changes globally, and in the United Kingdom, since the 1980s that have caused housing to become a speculative commodity or to be treated as 'just another asset class' in the United Kingdom. She argues that the global financial crisis accelerated the problem as distressed real estate was bought up by investors and loose monetary policy in the United Kingdom pushed up house prices. Blakeley deftly outlines how a key issue internationally—housing—and one that has profound implications for everyday life and development strategies in communities is enmeshed in the logic of financialization. Blakeley also sounds a warning signal that the COVID-19 pandemic is likely to exacerbate these problems, with a potential evictions crisis on the horizon, in addition to continued unaffordable house prices in the longer term in the United Kingdom. The result of this financialized housing model is >300,000 homeless people living in England (of which over one-third are children), and areas of the United Kingdom, such as London and Manchester, have become unaffordable cities to live in for many.

Leslie Huckfield examines the impact of social impact bonds on the community sector in the United Kingdom. Social impact bonds (SIBs) are a form of social finance under which investors receive a return if certain social outcomes are secured. Huckfield situates the ongoing financialization of the third sector within a longer history of neoliberalism promoted by both the left and right over the past forty years. This article foregrounds how important the reconfiguration of the state has been in this process and how neoliberal ideas permeated into the community and voluntary sector. This occurred not only through the activity of policy advisory boards, parliamentary committees, and think tanks, but also through the actions of third sector bodies who adopted a 'policy entrepreneur' role as the field became increasingly marketized. Huckfield presents the adoption of ideas of financial inclusion and microcredit, and later social impact bonds, as the result of this long revolution. Huckfield's reconstructive policy history traces the adoption, embedding and deepening of the hold of financialized capitalism on community bodies. He concludes this account with three case studies of community-based organizations tasked with supporting people who are experiencing loneliness or other challenges to their well-being or who are in receipt of end-of-life care. This is a striking example of the 'financialization of everyday life' and more specifically of how affective relations, and in particular (typically feminized), forms of social reproduction, which take place at the level of community, have become regarded as legitimate forms of financial yield[11].

Tamra Gilbertson explores the global schemes that have been agreed by states and international organizations to allow corporations and governments to buy and sell 'units' of pollution on financialized markets. Gilbertson deftly outlines the policy context for this and links it to literature on the dynamics and development of capitalism. From a Marxist and feminist perspective, she critiques the financialization of nature that treats resources and the health of ecosystems as commodities to be sold in financial markets. She presents a case study of two Afro-Colombian communities in the coal mining region of Cesar, in northeast Caribbean, and related Reducing Emissions from Deforestation and Forest Degradation (REDD+) projects on the Pacific coast of Colombia. Gilbertson highlights the impact of long-term policies on the environment and local communities and the fact that carbon offset agreements being used by states and MNCs have been used to ensure coal mining continues in this region, in addition to providing tax breaks to the MNCs involved. Gilbertson gives a compelling, detailed, passionate, and concerning account of how '[t]he Afro-Colombian communities near the mine sites continue to experience serious health impacts, dispossession, water and air contamination, and scarcity, as well as the loss of their cultural and ethnic rights, while the existential threat of climate change remains unaddressed.' This is perhaps the starkest example in the special issue of what is at stake in current developments in the world system. It is also a telling illustration of one of capitalism's core contradictions: by jeopardizing the natural resources that sustain life, its drive to endless accumulation undermines the capitalist system's own conditions of possibility (Fraser, 2014).

*The uneven impact of financialization globally*

While common drivers of financialization and some of their similar effects have been outlined here, it is imperative to note that financialization has taken hold to different degrees, and in varied ways, across locations around the world. This can depend both on the way in which a country is integrated into the global economy, and on its national institutions and political and

11 Of course, the commodification of care in the form, for example, of privately owned, for-profit hospitals or care homes (e.g. Mercille, 2018) has been well in train prior to the introduction of social impact bonds and related kinds of social investment. The difference is that the latter involve repayable finance models, which can be seen as part of a wider financialization of the welfare state. As Dowling (2017, p. 295) points out, this has resulted in the introduction of a financial calculus into policy making and increased exposure on the part of the state and community and voluntary organizations to financial market logics and risks. SIBs, she suggests, comprise a 'new form of privatisation marked by the transfer of public assets to private investors as interest payments on the money lent to governments to fund these social policy initiatives'.

cultural specificities (Ó Riain, 2014). For example, Ní Chasaide in this volume contrasts low-tax states, such as Ireland, with higher-tax jurisdictions. However, her case study shows the specificities of the Irish style of 'corporate tax games', that may differ from the types of tax games supported in other states.

Fernandez and Aalbers (2020) point out that when it comes to analyses of Global North and Global South states, it is important to recognize that the mechanisms underlying financialization are very different. Through their study of the financialization of housing, they argue that theories of 'uneven and combined development' should account for how financialization, driven from centres in the Global North, is shaping Global South states in different ways. Similarly, Allami and Cibils (2018, p. 89–90) argue that 'general definitions for financialization in the periphery are not available or even desirable, since different levels of development of productive and financial sectors impose specificities which make generalizations difficult' (2018, p. 89). Fernandez and Aalbers (2020) call for the study of nations both individually and comparatively. They argue for a sort of rethink of the 'varieties of capitalism' approach to include exploring what might be viewed as 'types' of Global South states, which they argue might potentially be termed 'state-led market economies' and 'less financialized market economies'. Allami and Cibils (2018, p. 90) advocate for specific studies of 'different forms of financialization' in the Global South.

In this issue, Kvangraven, Koddenbrock, and Samba Sylla take up the challenge for greater specificity and the need for comparative case studies, especially in relation to African states. They present an important study of how financialization is unfolding on the African continent focusing on four countries—Mauritius, Nigeria, Zambia, and South Africa. The authors show the continuing relevance of African thinkers, such as Nkrumah and Amin, who point to the historic problem of a foreign-dominated banking sector on the continent. Drawing on the key concepts of financial depth, financial subordination, and financial connectedness, the article's analysis shows substantial variety and unevenness in financial activity, emphasizing the national specificity of forms of financialization. They see no 'general shift' in the way capital accumulation is organized as a result of financialization and conclude that financialization 'is not taking place across the board'. Where they find financialization has occurred, they show that it has diversified relations of dependence between states, corporations, and communities. Their article underlines the need for such empirical studies, which show the varied trends in financial flows into and out of African national economies. As Allami and Cibils (2018) argue, these financial flows, especially in relation to Global South states, can be large in volume, short term, and lead to instability. Harvold Kvangraven *et al.*, underline the pressing need for research that explores the connections between such financial flows, their institutional intermediaries, and the provision of essential community resources such as housing or healthcare in African states.

Kojo Amanor focuses on the impact of financialization on cocoa farmers in the West African states of Côte d'Ivoire and Ghana. He traces the complex public and private relationships that are shaping the financing of cocoa production in West Africa. Also responding to the call for greater specificity in case study research, Amanor challenges the narrative that financialization is globally dominant or represents a decisive move away from tangible production. Instead he argues that financial activity in West African cocoa is driven by an unrelenting drive by cocoa MNCs to increase production yields. Echoing Kvangraven *et al.*, Amanor highlights the historic damage of structural adjustment policies dating from the 1980s onward, which have resulted in undue control by MNCs of the West African cocoa industry, and the creation of very influential 'country platforms' i.e. public–private bodies, which set development priorities and investment strategies in key sectors. Amanor underlines the central importance of key international financial institutions, namely the Commonwealth Development Corporation and International Finance Corporation, as facilitators of involvement of a wider set of financial players in the cocoa sector. For the West African cocoa farmers in the case study, the results of such a mix of financial investments and externally imposed farming standards include increased indebtedness, poverty, and land degradation. This is a sober reminder to focus on those on the frontline of real production (in this case of cocoa) while tracing changes in the global economy. Amanor provides a detailed picture of the complex institutional interrelationships between international financial institutions, states, Global North donors, private sector actors, and non-profit groups in Côte d'Ivoire and Ghana. His piece provides a sharp critique (echoed in Huckfield, this issue) that even the most economically disadvantaged people can be incorporated into financialized relationships in their everyday lives.

*Democratic knowledge production and resisting financialization*

In addition to the impact of macro-structural changes on communities' access to public resources, affordable housing, safe and stable livelihoods, and a clean and healthy environment, we wish to highlight, with reference to the work of our contributors, the significance of financialization for community development as a form of *praxis*. As we noted earlier, community development is premised on the exercise of agency, however constrained, with conscious aims in mind. It is an obvious but important point that we need language and concepts that accurately grasp what is happening in our world to take informed action. On a basic level, this requires research, information sharing, and educational initiatives. On a deeper, more challenging level, informed collective action in the current period requires a type of sustained democratic knowledge production in which research and education are linked to the systematic exploration of strategies for egalitarian change (Choudry, 2015).

Arising from her long-standing research with community-based movements in diverse contexts, Hilary Wainwright (1994, 2009, 2018) offers a complementary perspective to Choudry. She contends that democratic knowledge production is very distinct from traditional academic, commercial, and scientific ways of developing knowledge. Wainwright documents and advocates for a mode of socialized practical knowledge that is created through participatory, collaborative processes and has relational, emotional, symbolic, and theoretical dimensions. This form of knowledge production, she argues, can be a major 'source of transformative power' (2018, p. 11). Given the complexity and depth of financialization, and the extent to which it relies on highly specialized and inaccessible forms of knowledge to reproduce itself, there are very obvious challenges to developing collective understanding and action in this field.

Two of the articles in the special issue speak directly to these aspirations and concerns in stimulating ways. Escobar and Grubbauer examine self-organized housing in Mexican housing policies. They present a study of the relations between the World Bank, the Mexican state, and civil society actors with respect to housing design and delivery in low-income Mexican communities. In contrast to the complicity of civil society organizations in normalizing financialization that is outlined by Huckfield, Amanor, and Gilbertson, these authors trace the processes through which housing organizations, guided by principles of the solidarity economy, succeeded in contesting the 'financial rationalities' of the World Bank and the Mexican state. They not only engage critically with these successes but also warn of the huge challenges involved. These include the difficulties of scaling up cooperatively produced housing in the context of the dominant financial logic of international financial institutions and the fragility of sustaining successful advocacy in certain national contexts. Two things in the article are especially noteworthy in terms of democratic knowledge production in the present period. First, the variegated and uneven nature of neoliberalization and financialization meant that political and social structures in Mexico were never completely 'colonized'. Instead, they retained 'counter-logics' that create possibilities for intervention for communities and activists. This is important in a period where there is a tendency to treat neoliberal capitalism as a 'total' and complete system that is impossible to resist (Tett and Hamilton, 2019). Second, and more significantly, democratic knowledge produced in early waves of social struggles was 'held' by individuals and organizations, and through national and international alliances, before being codified and shared as a resource in order to develop self-managed housing in a period of financialization. This is a striking example of the power of socialized practical knowledge and the importance of maintaining knowledge over time.

The second article that directly addresses resistance to financialization through community activism is that by Silver *et al*. Composed by writers involved in both academia and activism, this article deals with housing in the city of Manchester, United Kingdom and outlines an account of housing that overlaps with Blakeley's article on the same topic. The focus is somewhat different, however. In the face of 'the storied complexity of finance [that] serves as a means of obfuscating popular understanding, and evading critical inquiry', they ask 'what strategies might be employed by activists and academics to help advance public knowledge of the housing crisis and support communities to contest financialization?". Silver *et al.* detail the genesis and activity of a popular education effort initiated by *Greater Manchester Housing Action* and focus on the development and experience of popular education walking tours in the financialized city. They argue that this initiative served to heighten awareness and share information, create alliances between affected residents and activists, and support ongoing struggles. This offers a glimpse of what can be done to build democratic knowledge in small but significant ways. Perhaps most notably, it indicates how academic researchers, who have the time and training to make sense of the complexities of financialized capitalism, can be deployed in ways that can contribute to the socialization of knowledge. In the context of the inequalities we have earlier outlined, this is no small feat.

## Egalitarian community development in the era of financialized capitalism: concluding reflections

As the articles in this special issue indicate, there are no simple or immediate answers regarding how to resist the varied, negative effects of financialization on communities. The challenges are manifold. The authors' contributions to this issue emphasize the need for a progressive multilateralism (e.g. in the areas of climate, trade, debt, and corporate taxation); reduced state dependence on MNCs (e.g. in cocoa production, natural resource extraction, or technology); and scaled up non-financialized alternatives for the public good (e.g. in the provision of affordable, secure housing).

Pursuit of these goals leads us to the far bigger challenge of limiting the power of financialized capitalism. In this respect, we concur with Burawoy (2015) who argues that 'social movements need to be at the very center of a new sociology of critique' (p. 7) as they are key to countering the 'destructiveness of the market' in the present period. Like Burawoy (2015), we believe that multiple initiatives at community level linked to a variety of egalitarian movements, and which are internationally networked, are necessary to act as a 'countermovement' to financialized capitalism and 'the looming environmental catastrophe that threatens the whole earth' (p. 24).

There are examples from around the world of social movements applying counter-hegemonic principles in their resistance to financialization. For instance, the international tax justice movement has arguably de-commodified the knowledge base of tax expertise, not least through ex-'insiders' of the financial sector becoming activist 'outsiders', and popularizing their analysis alongside socially engaged academics, journalists, and activists (Tax Justice Network, n.d.). Housing movements, connected globally, have effectively de-commodified housing in certain situations by opposing evictions (such as in the work of La PAH in Spain, see García-Lamarca, 2017) or by pressuring for provision of affordable, housing and services (e.g. the shanty dwellers movement in South Africa Abahlali baseMjondolo—see Johansson, 2019). But these remain relatively weak countertendencies rather than a global countermovement.

One of the key questions facing us is how to build solidarity between communities and construct sustainable ways of supporting this? In light of the contributions to this issue, this is a daunting prospect. We think Patrick Bond's research is very suggestive and a brief overview is an appropriate conclusion to the special issue. Drawing lessons from the campaign led by the Treatment Action Campaign in South Africa, which succeeded in expanding people's access to HIV/AIDS medicines, Bond (in Elwood *et al.*, 2017, p.682) calls for what he terms 'de-commodification'; 'de-stratification'; 'de-globalization of capital'; and 'global solidarities'. We interpret his meaning as opposing the unaffordable pricing of public goods (de-commodification); enabling popular access to such goods (de-stratification); ensuring more local, or regional, democratic control over capital investment, or the influence of capital (de-globalization of capital); and building global solidarity against damaging multinational forces.

In relation to building 'global solidarities', Bond urges that activists 'jump scale' in their actions to reach beyond community and national levels. As shown in the articles of this special issue, the inherent complexity, and intentional and unintentional mystification of the workings of finance capital, has partially protected financialization from critique. Further, the institutional cover provided to the system of finance by states and international financial institutions, and certain NGOs and community organizations, has deeply embedded financialization at macro, micro, and meso levels of the economy and society. The long-term effects of these developments impact on nature and are 'planetary'. Some of our contributors have pointed to possible ways forward. These are characterized by intensive popular education, political engagement, and action. We hope that this special issue will contribute to more discussion of these vital processes and stimulate further purposive action.

***Fergal Finnegan*** *is a lecturer at the Department of Adult and Community Education, Maynooth University, Ireland.*

***Niamh McCrea*** *is a lecturer at the Department of Humanities, Institute of Technology Carlow, Ireland.*

***Nessa Ní Chasaide*** *is a Phd candidate at Maynooth University, Ireland. She was previously director of Financial Justice Ireland.*

## References

Aalbers, M. (2009) Geographies of the financial crisis, *Area*, **41** (1), 34–42.

Allami, C. and Cibils, A. (2018) Financialization and development: issues and perspectives, in *Handbook on Development and Social Change*, Edward Elgar Publishing, Cheltenham, UK.

All Ireland Endorsement Body for Community Work Education and Training (AIEB) (2016) *All Ireland Standards for Community Work*, Community Work Ireland, Galway, accessed at: https://www.communityworkireland.ie/wp-content/uploads/2016/03/All-Ireland-Standards-for-Community-Work.pdf. (14 September 2020).

Appardurai, A. (2013) *The Future as a Cultural Fact: Essays on the Global Condition*, Verso, London.

Arrighi, G. (2009) *The Long Twentieth Century: Money, Power and the Origins of Our Time*, Verso, London.

Arrighi, G., Silver, B.J. (1999) *Chaos and Governance in the Modern World System*, University of Minnesota Press, Minnesota.

Baker, J. (2015) Conceptions and dimensions of social equality, in C. Fourie, F. Schuppert, I. Walliman-Helmer eds, *Social Equality: On What it Means to be Equals*, Oxford University Press, Oxford, pp. 65–86.

Ban, C., Seabrooke, L., Freitas, S. (2016) Grey matter in shadow banking: international organizations and expert strategies in global financial governance, *Review of International Political Economy*, **23** (6), 1001–1033.

Bhaskar, R. (1979) *The Possibility of Naturalism: A Philosophical Critique of the Contemporary Human Sciences*, Humanities Press, Atlantic Highlands, NJ.

Brown, P., Lauder, H., Ashton (2011) *The Global Auction: The Broken Promises of Education, Jobs, and Income*, Oxford University Press, Oxford.

Burawoy, M. (2015) Facing an unequal world, *Current Sociology*, **63** (1), 5–34.

Cahill, D., Cooper, M., Konings, M. *et al.* eds (2018) *The Sage Handbook of Neoliberalism*, Sage, London.

Chiapello, E. (2020) Financialization as a socio-technical process, in P. Mader, D. Mertens, N. van der Zwan eds, *The Routledge Handbook of Financialization*, Routledge, Abington, pp. 80–90.

Choudry, A. (2015) *Learning Activism: The Intellectual Life of Contemporary Social Movements*, University of Toronto Press, Toronto.

Dowling, E. (2017) In the wake of austerity: social impact bonds and the financialisation of the welfare state in Britain, *New Political Economy*, **22** (3), 294–310.

Dukelow, F. and Kennett, P. (2018) Discipline, debt and coercive commodification: post-crisis neoliberalism and the welfare state in Ireland, the UK and the USA, *Critical Social Policy*, **38** (3), 482–504.

Durand, C. (2017) *Fictitious Capital: How Finance Is Appropriating our Future*, Verso, London.

Dutta, S.J. (2018) *Financialisation: A Primer,* Transnational Institute, Amsterdam, accessed at: https://www.tni.org/files/publication-downloads/financialisation-primer-sept2018-web.pdf. (25 September 2020).

Elwood, S., Bond, P., Novo, C. M. *et al.* (2017) Learning from postneoliberalisms, *Progress in Human Geography*, **41** (5), 676–695.

Epstein, G. A. ed (2005) *Financialization and the World Economy*, Edward Elgar Publishing, Cheltenham, UK.

Federation of Community Development Learning, CLD Standards Council for Scotland, Community Development Cymru and Community Work Education and Training Network (2015) *Community Development National Occupational Standards,* accessed at: https://cldstandardscouncil.org.uk/wp-content/uploads/CDNOStandards2015.pdf. (25 August 2020).

Fernandez, R. and Aalbers, M. B. (2020) Housing financialization in the global south: in search of a comparative framework, *Housing Policy Debate*, **30** (4), 680–701.

Flaherty, E. (2017) Complex inequalities in the age of financialisation: Piketty, Marx, and class-biased power resource, in L. Langman, D. A. Smith eds, *Twenty-First Century Inequality and Capitalism: Piketty, Marx and Beyond*, Leiden and Boston, Brill, pp. 86–107.

Flaherty, E. (2015) Top incomes under finance-driven capitalism, 1990–2010: power resources and regulatory orders, *Socio-Economic Review*, **13** (3), 417–447.

Folkman, P., Froud, J., Johal, J. *et al.* (2007) Working for themselves? Capital market intermediaries and present day capitalism, *Business History*, **49** (4), 552–572.

Foster, J. B. and Holleman, H. (2010) The financial power elite, *Monthly Review*, **62** (1), 1–19.

Fraser, N. (2014) Behind Marx's hidden abode: for an expanded conception of capitalism, *New Left Review*, **86** (Mar/Apr), 55–72.

Freire, P. and Macedo, D. P. (1987) *Literacy: Reading the Word and the World*, Routledge & Kegan Paul, London.

García-Lamarca, M. (2017) Creating political subjects: collective knowledge and action to enact housing rights in Spain, *Community Development Journal*, **52** (3), 421–435.

Godechot, O. (2020) Financialization and the increase in inequality, in P. Mader, D. Mertens, N. van der Zwan eds, *The Routledge International Handbook of Financialization*, Routledge, Abington, pp. 413–424.

Guttmann, R. (2017) Financialization revisited: the rise and fall of finance-led capitalism, *Economia e Sociedade*, **26** (SPE), 857–877.

Harvey, D. (2011) *The Enigma of Capital and the Crises of Capitalism*, Profile Books, London.

Ife, J. (2016) *Community Development in an Uncertain World: Vision, Analysis and Practice*, 2nd edn, Cambridge University Press, Cambridge.

International Association for Community Development (IACD) (2018) *Towards Shared International Standards for Community Development Practice,* IACD, Glasgow, accessed at: http://www.iacdglobal.org/wp-content/uploads/2018/06/IACD-Standards-Guidance-May-2018_Web.pdf. (25 August 2020).

Jubilee Debt Campaign (2020) *Argentina's Debt Crisis May 2020*, Jubilee Debt Campaign, London, accessed at: https://jubileedebt.org.uk/wp-content/uploads/2020/05/Argentina-briefing_05.20.pdf (6 October 2020)

Jessop, B. (2013) Finance-dominated accumulation and post-democratic capitalism, in S. Fadda, P. Tridico eds, *Institutions and Economic Development after the Financial Crisis*, Routledge, Routledge, pp. 83–105.

Johansson, S. (2019) *The Right to the City in Post-Apartheid South Africa: Abahlali baseMjondolo's Struggle for Land, Housing and Dignity*, MA thesis, University of Gothenburg, Germany.

Karwowski, E. (2019) How financialization undermines democracy, *Development and Change*, **50** (5), 1466–1481.

Kay, J. (2015) *Other People's Money: Masters of the Universe or Servants of the People?* Profile Books, London.

Krippner, G.R. (2011) *Capitalizing on Crisis: the Political Origins of the Rise of Finance'* Harvard University Press, Cambridge, MA.

Lapavitsas, C. (2013) *Profiting without Producing: How Finance Exploits us all*, Verso, London.

Mader, P., Mertens, D., van der Zwan, N. (2020) Financialization: an introduction, in P. Mader, D. Mertens, N. van der Zwan eds, *The Routledge International Handbook of Financialization*, Routledge, Abington, pp. 1–15.

Mair, P. (2013) *Ruling the Void: The Hollowing of Western Democracy*, Verso, London.

Massey, D. (2005) *For Space*, Sage, London.

Mercille, J. (2018) Privatization in the Irish hospital sector since 1980, *Journal of Public Health*, **40** (4), 863–870.

Milanovic, B. (2016) *Global Inequality: A New Approach for the Age of Globalization*, Harvard University Press, Cambridge, MA.

Nolke, A. (2020) Financialization and the crisis of democracy, in P. Mader, D. Mertens, N. van der Zwan eds, *The Routledge International Handbook of Financialization*, Routledge, Abington, pp. 425–435.

Ó Riain, S. (2014) *The Rise and Fall of Ireland's Celtic Tiger: Liberalism, Boom and Bust*, Cambridge University Press, Cambridge.

Ó Riain, S., Behling, F., Ciccia, R., Flaherty, E. (2015) Changing Workplaces, Changing Capitalisms, in F. Behling, E. Flaherty, S. Ó. Riain, R. Ciccia eds, *The Changing Worlds and Workplaces of Capitalism*, Palgrave Macmillan, London, pp. 1–14.

Pagliari, S. and Young, K. (2020) How financialization is reproduced politically, in P. Mader, D. Mertens, N. van der Zwan eds, *The Routledge International Handbook of Financialization*, Routledge, Abington, pp. 113–123.

Peck, J., Whiteside, H. (2016) Financializing Detroit, *Economic Geography*, **92** (3), 235–268.

Popple, K. (2015) *Analysing Community Work: Theory and Practice*, 2nd edn, Open University Press, Maidenhead.

Piketty, T. (2017) *Capital in the 21$^{st}$ Century*, Harvard University Press, Cambridge, MA.

Pistor, K. (2019) *The Code of Capital: How the Law Creates Wealth and Inequality*, Princeton University Press, Princeton, New Jersey.

Revelli, M. (2019) *The New Populism: Democracy Stares into the Abyss*, Verso, London.

Sawyer, M. (2013) What is financialization? *International Journal of Political Economy*, **42** (4), 5–18.

Sayer, A. (2013) Facing the challenge of the return of the rich, in W. Atkinson, S. Roberts, M. Savage eds, *Class Inequality in Austerity Britain: Power, Difference and Suffering*, Palgrave Macmillan, Basingstoke, pp. 163–192.

Sayer, A. (2015) *Why we Can't Afford the Rich*, Policy Press, Bristol.

Soederberg, S. (2014) *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population*, Routledge, London.

Sherman, M. (2009) A short history of financial deregulation in the United States, *Center for Economic and Policy Research*, 7, accessed at: https://www.cepr.net/documents/publications/dereg-timeline-2009-07.pdf (1 October 2020).

Tax Justice Network (n.d.) *An Informal History of TJN and the Tax Justice Movement*, accessed at: https://www.taxjustice.net/5828-2/ (4 October 2020).

Tett, L. and Hamilton, M. (2019) *Resisting Neoliberalism in Education: Local, National and Transnational Perspectives*, Policy Press, Bristol.

Wainwright, H. (1994) *Arguments for a New Left: Answering the Free Market Right*, Blackwell, Oxford.

Wainwright, H. (2009) (Rev Ed) *Reclaim the State: Experiments in Popular Democracy*, Seagull Books, London.

Wainwright, H. (2018) *A New Politics from the Left*, Polity, Cambridge.