

## New Spaces of Financialisation: Financial Chains in East-Central Europe

**Dr Martin Sokol**

Associate Professor  
Department of Geography  
Trinity College Dublin  
Ireland  
[sokolm@tcd.ie](mailto:sokolm@tcd.ie)

# KEY POINTS



## European Spaces of Financialisation:

- **East-Central Europe = unique terrain**  
(to study financialisation + uneven economic geographies)
- collapse of state-socialist regimes  
→ Western (West European) finance moves in
- unprecedented rise of debt / financialisation
- geographical unevenness  
...yet to be fully documented & understood!
- **‘financial chains’** concept

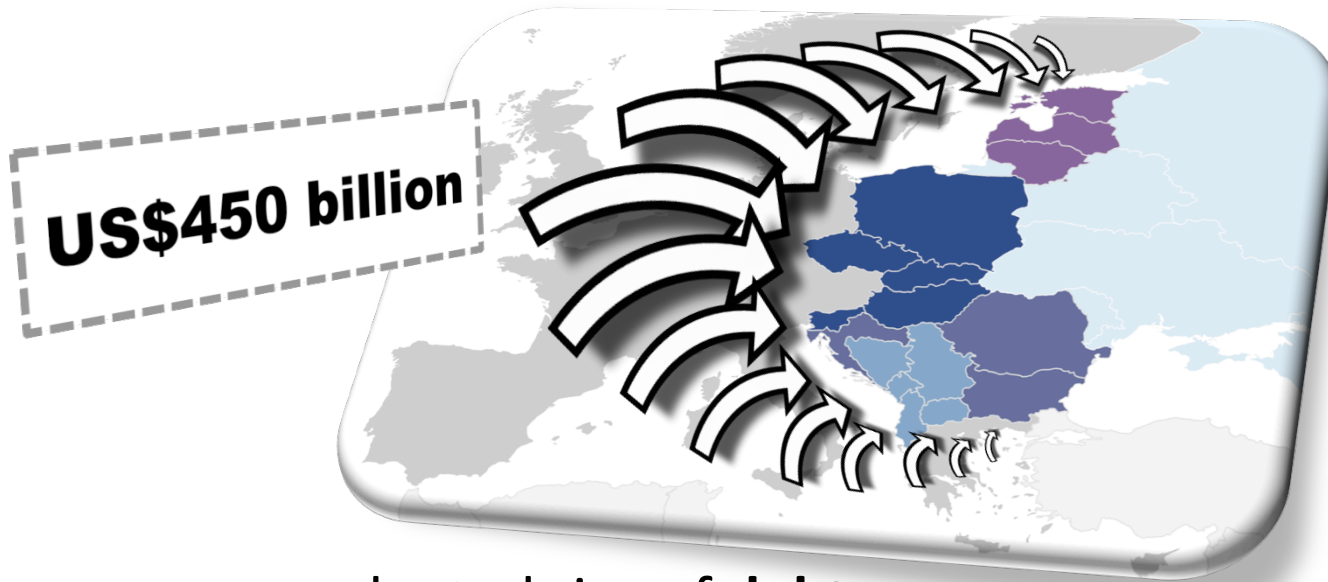
# EAST-CENTRAL EUROPE



- **East-Central Europe = unique terrain**  
(to study financialisation + uneven economic geographies)
- not just another geographical context
- not just periphery / semi-periphery context
- unique because:
- former **state-socialist economies:**  
logic = opposite to financialisation  
(towards a society without money?)
- + speed of financialisation that followed...

# EAST-CENTRAL EUROPE & WESTERN FINANCE

- collapse of state-socialist regimes  
→ **Western (West European) finance** moves in

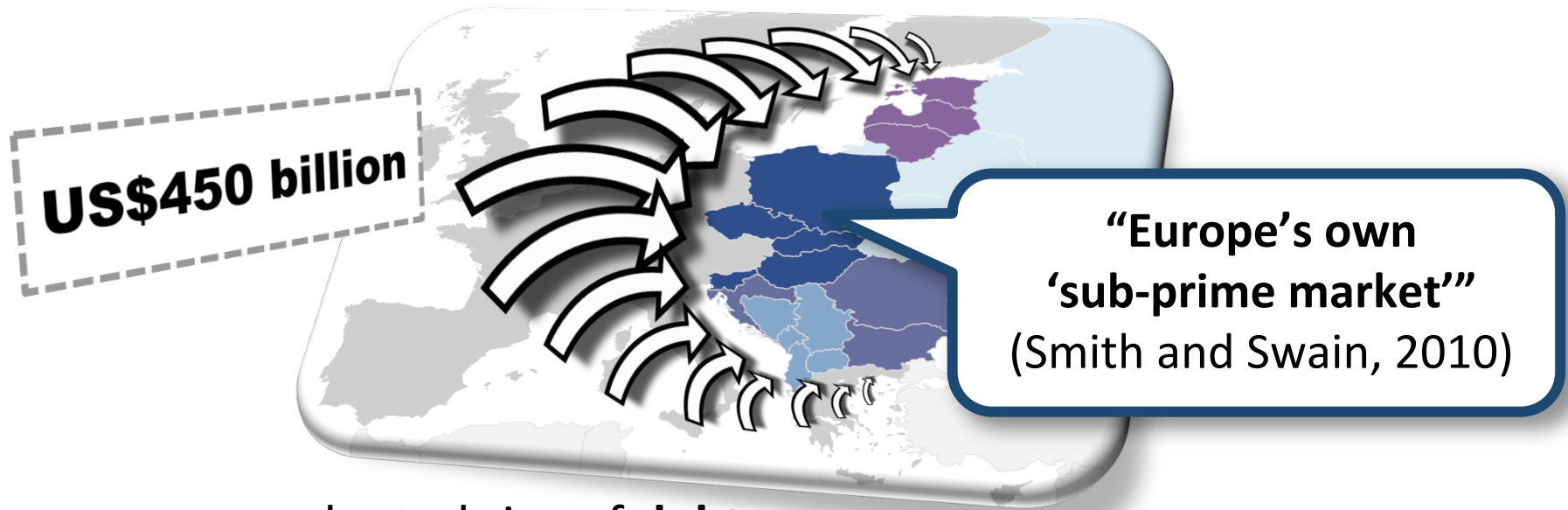


- unprecedented rise of **debt**
- geographical unevenness / diverse (diverging) economic geographies (at various scales)
- yet to be fully documented & understood!



# EAST-CENTRAL EUROPE & WESTERN FINANCE

- collapse of state-socialist regimes  
→ **Western (West European) finance** moves in



- unprecedented rise of **debt**
- geographical unevenness / diverse (diverging) economic geographies (at various scales)
- yet to be fully documented & understood!

# EAST-CENTRAL EUROPE & WESTERN FINANCE

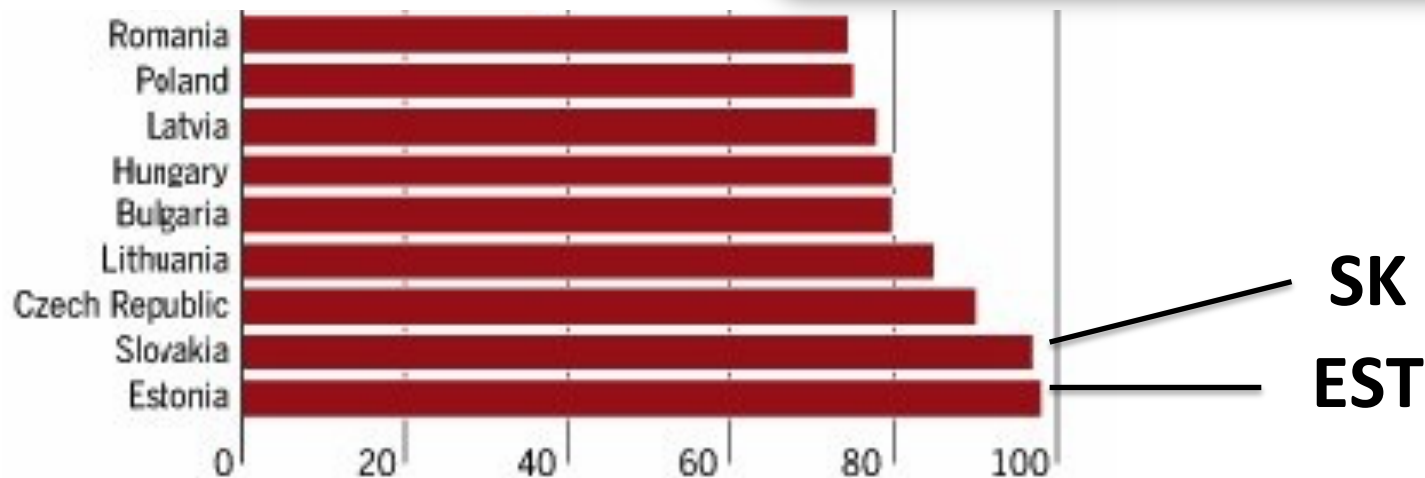
- Domination of **Western (West European) finance**

**Chart 1: Western European Ownership of Eastern European Banks**

**Eastern European banks**

% share of foreign ownership in capital

**New EU 10: 75% -100%**  
(Exception: Slovenia)



Source: Moody's

Source: FT.com

# EAST-CENTRAL EUROPE & WESTERN FINANCE

- unprecedented rise of **debt**:



Slovakia: Household Debt (1995 – 2013)

(Source: Bloomberg – from OECD data)



# EAST-CENTRAL EUROPE & WESTERN FINANCE

- unprecedented rise of **debt**:
  - esp. **housing debt**

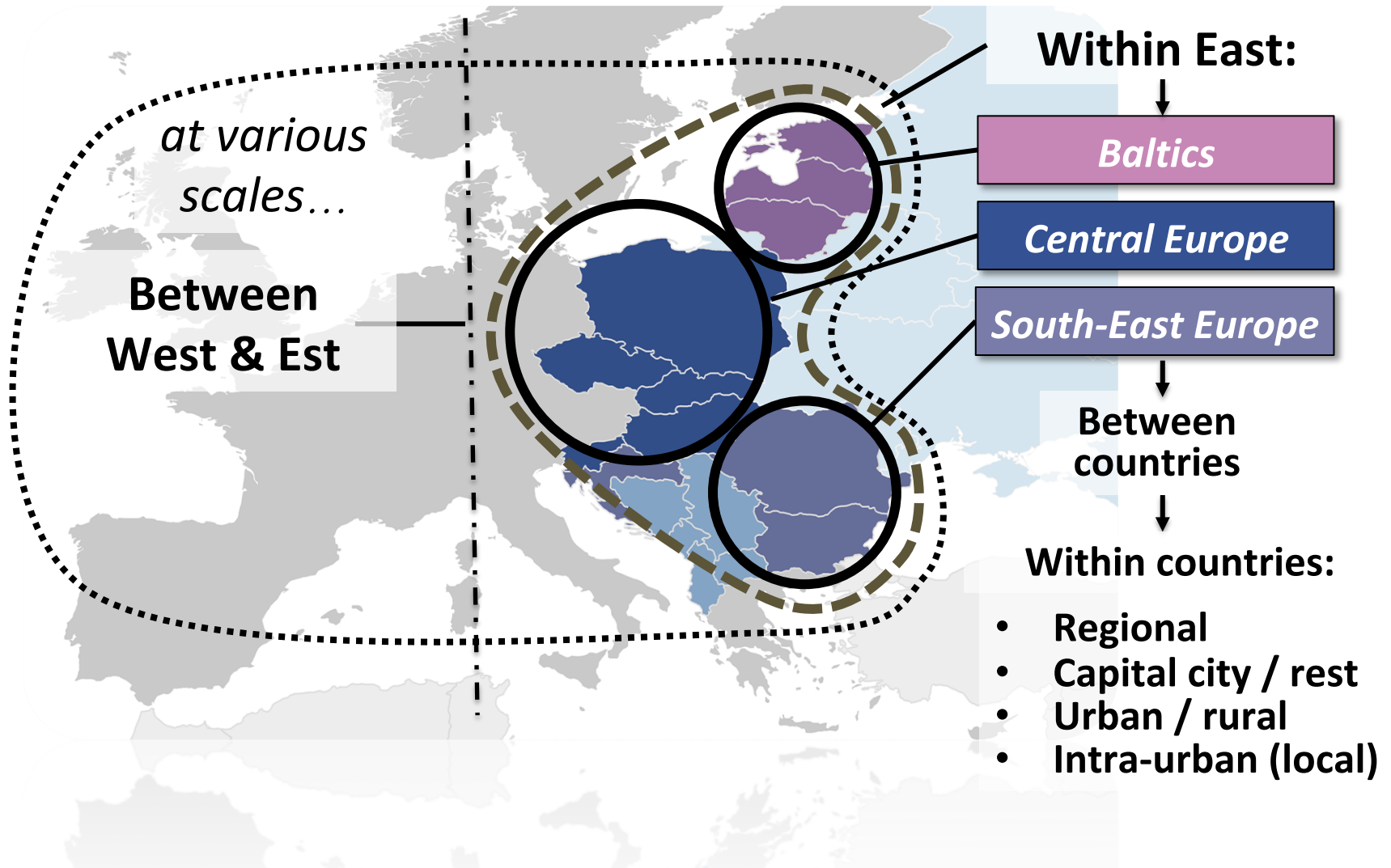


‘mortgage revolution’



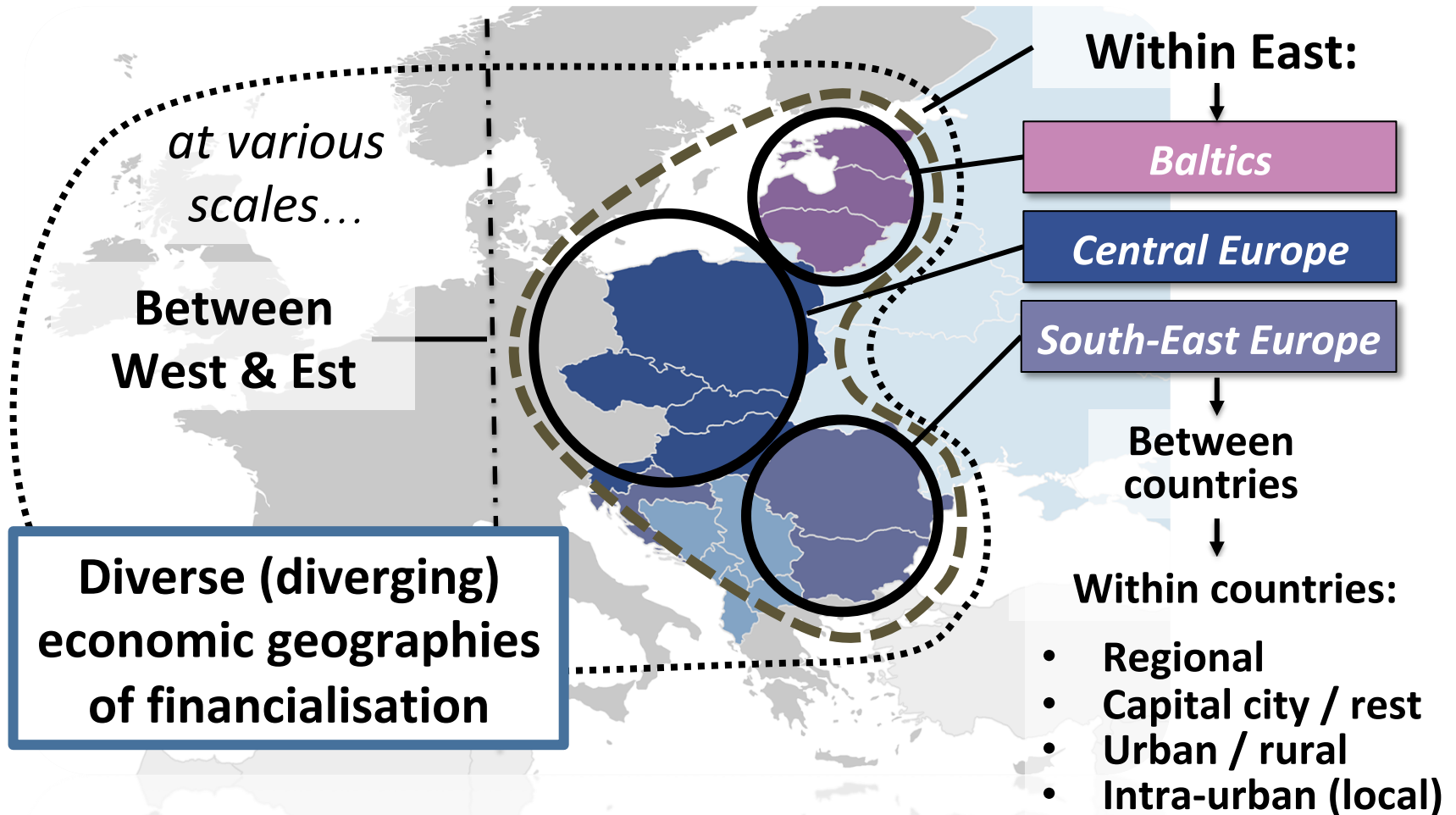
# EAST-CENTRAL EUROPE & WESTERN FINANCE

- geographical **unevenness**: (both process & outcomes)



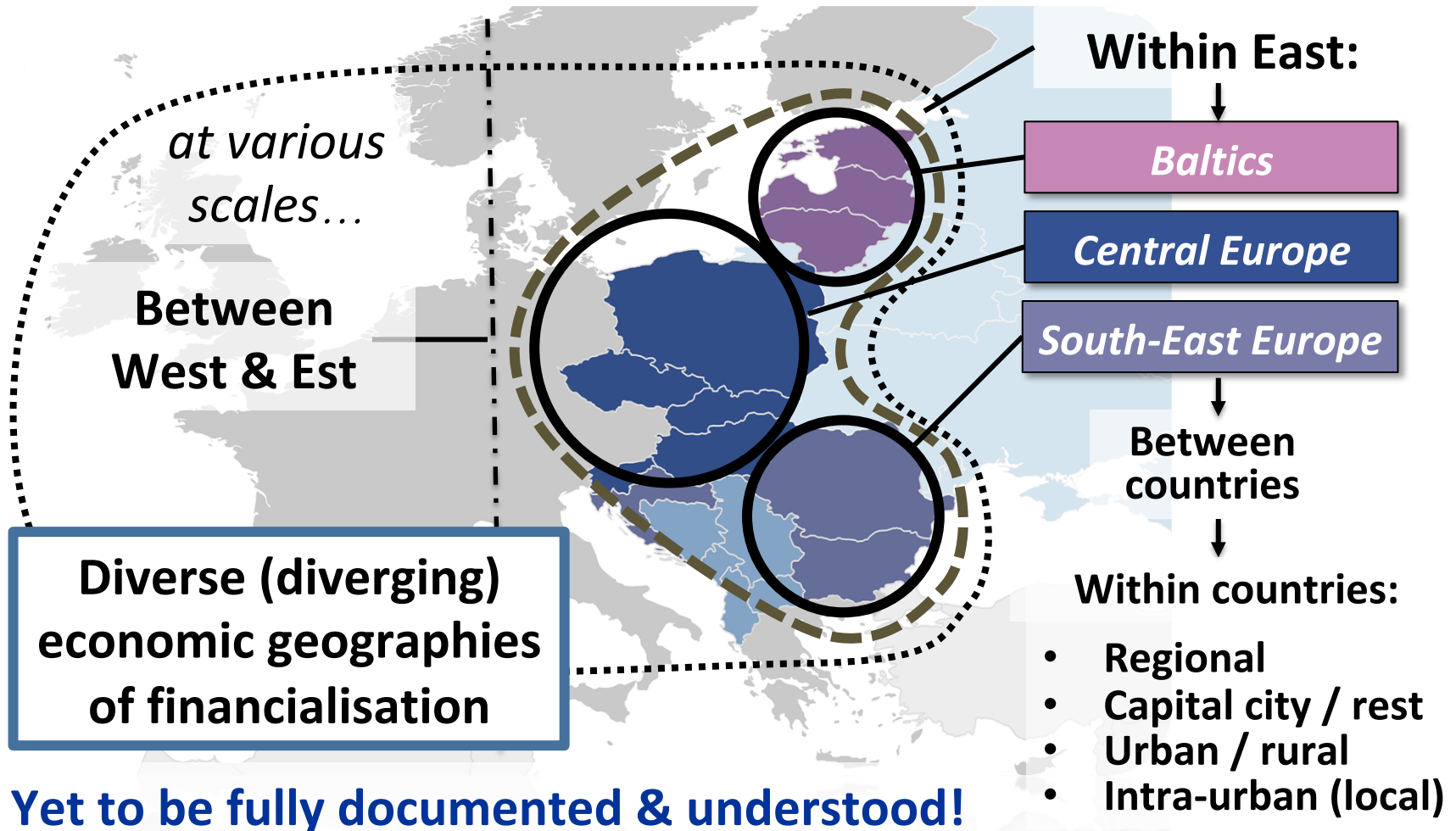
# EAST-CENTRAL EUROPE & WESTERN FINANCE

- geographical **unevenness**: (both process & outcomes)



# EAST-CENTRAL EUROPE & WESTERN FINANCE

- geographical **unevenness**: (both process & outcomes)





# GEOFIN PROJECT

## Financialisation:

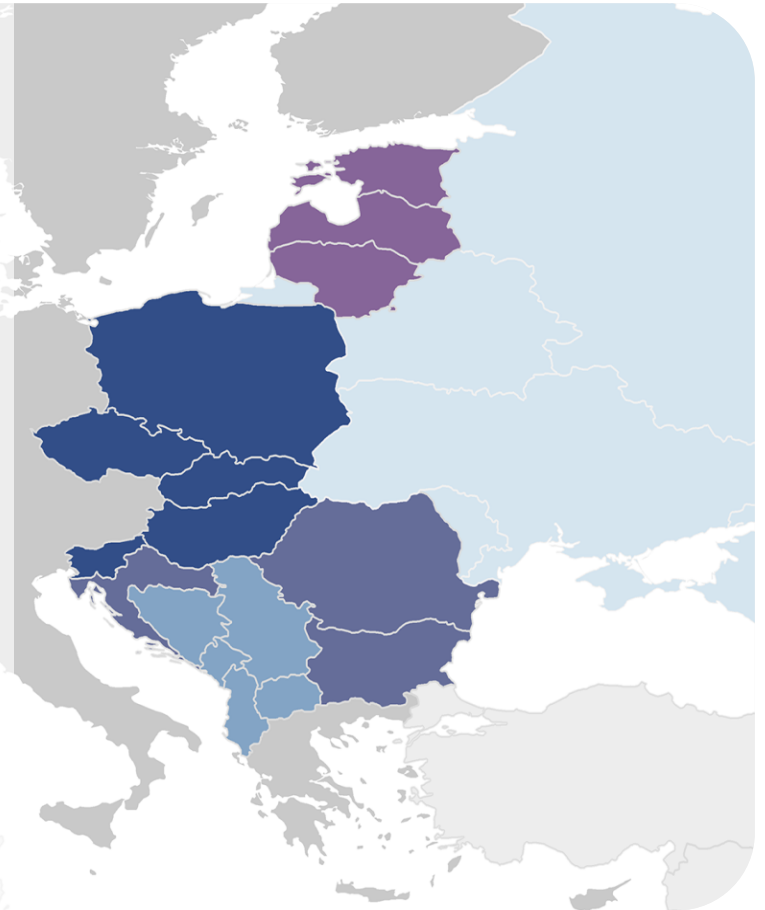
- Households
- States
- Banks (*Dr Giulia Dal Maso*)
- + sub-nat. bank strategies (*Sara Benceković*)

.....

- ‘Financial chains’ prism

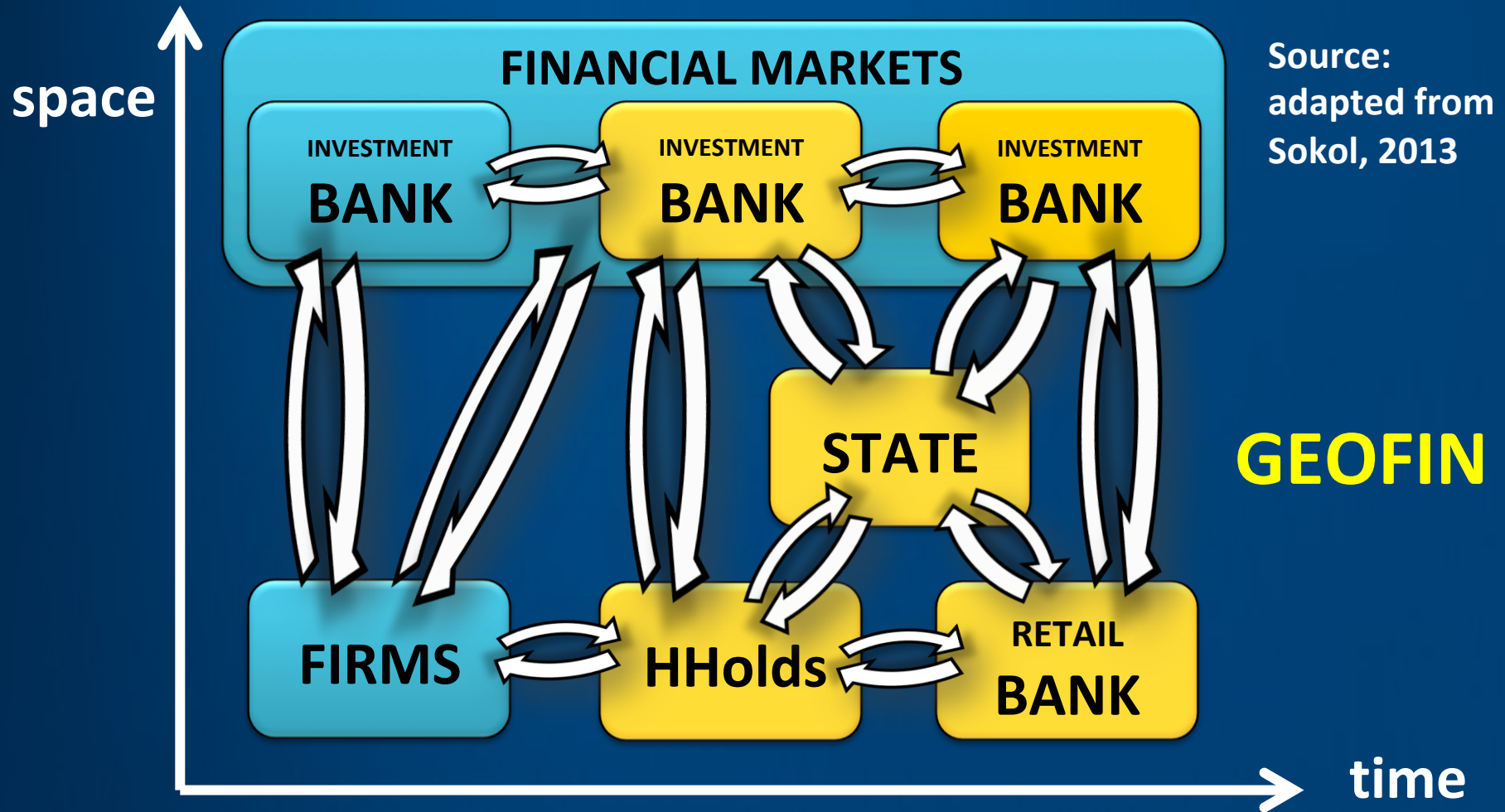


**Western Banks in Eastern Europe:  
New Geographies of Financialisation**





# FINANCIAL CHAINS

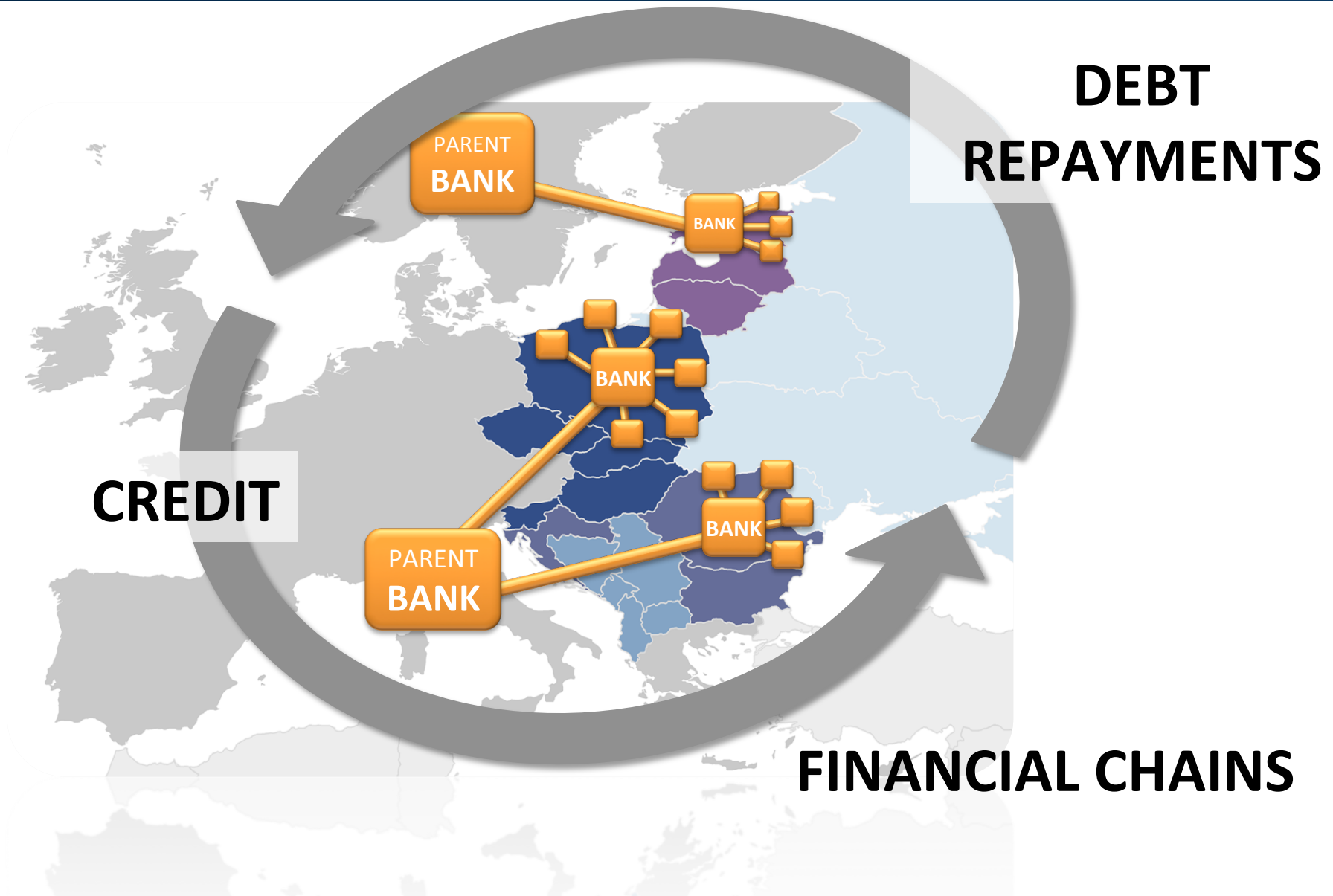


# FINANCIAL CHAIN



*See: Sokol, 2017 (in Research in International Business & Finance)*

# WESTERN BANKS IN EASTERN EUROPE



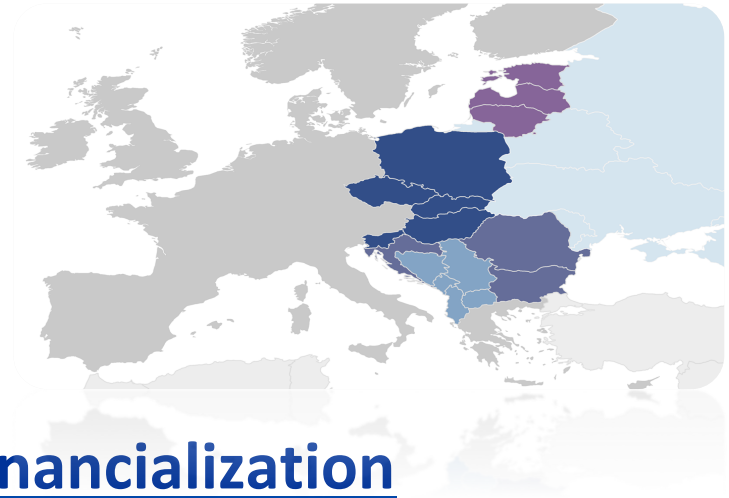
# CONCLUSION: KEY POINTS

## East-Central Europe

- = **unique terrain** to study  
financialisation + uneven economic geographies

## 'Financial chains' concept/metaphor:

- **financial investments AND repayments**
- **value transfer AND social relation**
- **space AND time**
- **actors chained to each other**
- **mutual dependency**



**NEW European Spaces of Financialization**



sokolm@tcd.ie



# Thank you!