Asset Servicing at a Second-tier Financial Centre: Framing embeddedness through mechanisms of the firm-territory nexus

Abstract

The integration of regional economies within multi-location firm networks, and the development effects stemming from such integration, is recognised as a critical but deeply complex research area (Dicken and Malmberg, 2001). In this paper, with Edinburgh's asset servicing activities providing an empirical context, a conceptual framework is developed that points to an initial suite of mechanisms that may underpin the firm-territory nexus. By doing this, a revised perspective on how territorial and network embeddedness overlap, is given. Recognising the heterogeneous nature of head office-branch and subsidiary relationships - which asset servicing functions are ultimately inscribed in - this paper shows how the local economic and institutional contexts present in Edinburgh mesh and jostle with the co-ordinating dynamics of the global financial services sector.

Introduction

Geographers are increasingly attentive to the spatial logics and implications of financial activities. This takes myriad forms, from the practices (Jones, 2013) and knowledge circulation activities within financial communities (Hall, 2007), to the pervasive reach of financialisation logics (Waldron, 2016; Kear, 2014; Knox-Hayes, 2013). Others have revealed the nature and composition of financial markets (Christophers, 2015), while the role of financial networks in lubricating global production processes has also received attention (Coe et al., 2014). A further strand of research has focused on how financial activities shape and orchestrate the economic-bases of territories and places (Zhao et al., 2004; Beaverstock, 2002). Connected to this, and building on economic geographers' increasing interest in the hinge or "interfacing mechanisms" between multi-location firm production networks and regional development (Yeung, 2009: 199), this paper considers the mechanisms that underpin the firm-territory nexus as concerns asset servicing activities in Edinburgh (Scotland, United Kingdom).

An array of concepts and methodological devices have been developed to highlight aspects of multi-location firm integration in territories. Such contributions give different emphases to firm and

territory dimensions, and complex analytical challenges emerge in terms of placing relational[1] and territorial factors in balance, rather than fetishizing one or the other. There is a need for further research, nevertheless, that advances our understanding of: one, how such integration plays out; and two, the particular mechanisms that may underpin such integration. Indeed, Dicken and Malmberg's (2001) "firm-territory nexus", which is conceptually developed in this paper, still resembles a black box. This paper, honing in on a particular value chain role within financial services, offers preliminary and suggestive clues with respect to what holds the nexus together, and how firm units, embedded territorially and in global firm-networks, shape the nexus.

The initial shocks brought about by the global financial crisis (GFC) posed serious questions about the ability of regional economies to sustain employment in financial services. In Edinburgh, however, the history and depth of the sector looms large and, though operating in London's shadow, would appear to support the city's relatively strong economic and labour market dynamics (vis-à-vis other second-tier UK cities (Centre for Cities, 2016)). Across the UK, and notwithstanding occasional calls for sectoral rebalancing, financial services appears to remain an area to support and nurture with politicians now scrambling to secure the sector's future in the wake of the UK's decision to leave the European Union (Peat and Kelly, 2016).

In this paper, asset servicing roles within the financial services sector are the empirical focus, with the development of the Edinburgh economy positioned as the core empirical object; studying firms to study regions, in essence (Markusen, 1994).[2] Broadly, asset servicing relates to the operations activities after a financial trade has been executed (PwC, 2015: 11). Asset servicing – though constituted by a handful of firms - supports substantial employment in the city; indeed, employee numbers for asset servicing functions in Edinburgh can range from a few hundred to around one thousand. The former chief executive of an Edinburgh-based industry body, noted: "the asset servicing industry is a 'hidden success' for Scotland. Although few people understand what it involves, firms operating in this area are now major employers" (The Scotsman, 2011a).

The paper proceeds with a discussion about second-tier financial centres and the dynamics shaping them, and positions Edinburgh within this categorisation. An outline of various literatures that consider the firm-territory nexus is given following this, before we detail the second-tier context that confronts us. The basic conceptual framework is then proposed, and this shows the role of the firm-territory nexus as an effective transmission system linking network and territorial embeddedness. Fleshing out the conceptual framework, empirical material is set out in a

[1] Relational systems refer to processes orchestrated over distance or multiple scales that reach into, and thus shape and configure, a particular territorial context. The organisational activities of the multi-location firm can be seen as relational in the context of this paper.
[2] In the context of this paper, the Edinburgh economy is restricted to the local authority area rather than a broader city—region scale.

suggestive attempt to sketch out a series of mechanisms underpinning the firm-territory nexus. A discussion on conceptual implications follows this, before concluding remarks are made.

Second-tier Financial Centres

Second tier cities pose thorny challenges for economic geographers in that there development hinges on a varied make up of exogenous and endogenous (or relational and territorial) characteristics.[3] Second tier cities, as a class of cities, as opposed to individual case studies, have received only fleeting attention in the academic literature (Markusen, 1999; Camagni et al., 2015; Camagni and Capello, 2015), while work in the Globalization and World Cities (GaWC) tradition treats second tier cities – with more nuanced categorisations ("alpha", "beta", "gamma" etc[4]) - in terms of their position within global firm networks (Taylor et al., 2002). Indeed, second-tier cities tend to be treated in terms of stocks or flows broadly; the former pointing to population sizes - Camagni et al (2015: 1071) suggest 200,000 to 1 million for second-rank cities – while a focus on flows looks at the relative network roles played by cities, based on power and network centrality, for instance (Neal, 2011).

The layering or tiered nature of financial centres has also emerged as an analytical concern (Engelen and Grote, 2009; Meyer, 2016) and existing literature gives a basis to consider Edinburgh as a second-tier city within the UK (Taylor, 2011; Wojcik and MacDonald-Korth, 2016). Whilst the global financial centres of London and New York and the high-profile activities that animate them, have drawn concerted focus (for London see, for example, Clark, 2002; Taylor et al., 2003; Wojcik, 2013), authors have also shed light on the European system - elucidating the roles played by Munich, Vienna, Frankfurt, Luxembourg and Amsterdam, for example (Faulconbridge, 2004; Engelen and Grote, 2009; Engelen, 2007; Wojcik et al., 2013; Zademach and Musil, 2012; Derudder et al., 2011; Bindemann, 1999; Dörry, 2015; Sokol, 2007; Murphy, 1998). Only a small set of texts have focused on the geography of UK financial centres in the UK, however (Parr and Budd, 2000; French, Lai and Leyshon, 2010; Bailey and French, 2005; and Wojcik and MacDonald-Korth, 2016). The dominance of London, and the implications this carries for the nature of activities that second-tier cities may attract and anchor, is a key theme of UK-focused research.

[3] Consider, for example, the point at which agglomeration economies and diseconomies come in and out of effect, and to what extent a city can pull in activities from elsewhere. Agglomeration economies leading to cumulative causation is relatively clear and established for London, but more ambiguous for Edinburgh where the centre of gravity for the financial centre is smaller.

[4] Such terms categorise cities at different levels within the global cities network, according to the network connectivity they exhibit based on intra-firm connections (http://www.lboro.ac.uk/gawc/gawcworlds.html)

Financial geographies can also be framed in terms of a set of push and pull factors (see, for an overview, Bindemann, 1999: 4-12). Porteous (1999) takes a high-level vantage point and introducing path dependency as a key consideration for financial centre development shows how centres develop at the intersection of centralising and decentralising processes - pointing to the roles of labour pools, time zones, place-based costs and airline connections, *inter alia*. With reference to the Canadian context, moreover, and with particular pertinence to Scotland, Porteous (1999:108) refers to how independence politics may have a bearing on financial centre geographies (reflecting on the competing fortunes of Montreal and Toronto). Gehrig (2000), meanwhile, draws attention to information processes, market thickness, and rent seeking as factors shaping the development of financial centres. More generally, the role of deregulation in financial markets and the penetration of new technologies shaping financial centre geographies have been noted(Lee et al, 1993; Gehrig, 2000), as has the promotion of financial centre capabilities by policymakers (Gonazlez and Oosterlynck, 2014; Engelen and Glasmacher, 2013). Such factors point to the complex meshing of, one, factors shaping the orchestration of the financial services industry and the firms within it, with, two, the conditions and attributes exhibited at certain territorial settings.

Edinburgh remains the designated head office for a small number of financial services firms formed in the city – albeit not themselves active in asset servicing – however, financial market logics and the opportunities presented in other financial centres, including access to regulators, mean deep ties with London and, to a lesser extent, New York, shape the city's sectoral scope. It is argued, in this paper, that a deeper appreciation of the national and global firm networks that effectively orchestrate financial services in the city would usefully support any thinking about Edinburgh's future as a financial centre. The firm-territory nexus, that other analyses of financial centres have made reference to (Dörry, 2015: 804), is therefore positioned as a central conceptual concern.

Perspectives on the Firm-Territory Nexus

Dicken and Malmberg (2001: 347) outline the "firm-territory nexus" in terms of the meshing of a territory with all its "attributes and histories", with firms and all their "attributes and histories". Peering under the skin of such "mutually constitutive relationships" (Dicken and Malmberg, 2001: 346) - and elucidating the triggering activities, dynamic feedback loops and connecting logics for firms in or at places - remains challenging (McCann and Mudambi, 2004; Beugelsdijk et al., 2010). A key analytical dimension relating to how the firm-territory nexus stitches together,

concerns the manner by which territorial-based factors interact with the spatial configuration of firms, and different literatures approach this through varying macro or micro-focused analysis.

Taking a distinct macro view of economic systems, firstly, a diffuse body of work on global city networks has been developed that ranks places across the globe according to the nature of multi-national firm functions hosted; from branch offices to global headquarters, with weightings given to each (Taylor et al. 2002; Taylor, 2011; cf Jones, 2002). Such rankings typically place London and New York at the zenith, with a shifting roster of second and third tier cities falling underneath.[5] By examining extensive quantitative data, and mapping global and trans-regional firm-network configurations, research on global city networks position urban economies as products of network architectures. With the exception of a few contributions - such as Derudder and Witlox (2010), who have sketched out possible integrations with more micro analytical perspectives – the global networks literature tends to treat places as hollow nodes within globally structuring networks, rather than as textured and negotiated sites.

At the micro-level, the relationships between different firm units – such as headquarters (HQs) and branches and subsidiaries - has been of concern for management scholars (Birkinshaw 1996; Birkinshaw and Hood, 1997; Birkinshaw and Morrison, 1995; Cantwell and Mudambi, 2005). Though firm dimensions are of central concern in such contributions, some authors have introduced a place-based focus, arguing that units such as “entrepreneurial subsidiaries” - where branch or subsidiary autonomy can be exercised – may have beneficial, territorially-localised effects (Dimitratos et al., 2009a; Young, Hood and Peters, 1994; Young, Hood and Dunlop, 1988). With respect to foreign direct investment (FDI), where the literature also focuses on changing intra-firm dimensions, a scepticism as to the fixity of mobile capital is apparent. For example, Perkmann (2006: 422) suggests that branch plants will always be territorially “disembedded” to some extent, while Phelps (2009: 574) hints at the anchoring of firm investment as “little more than wishful thinking”. The power asymmetries between capital and territorial institutions (Phelps, 1993; Phelps et al., 2003; Cumbers, 2000) and the financialisation practices in corporate affairs and their resulting regional effects (Pike, 2006), have also drawn attention.

Highlighting the geographic orchestration of “lead firms” and the groups of suppliers and institutions that provide inputs and support, global production network (GPN) research - premised on a network ontology - has framed regional development in terms of a balance of locally held assets meshing with external firm connections and networks (Coe and Hess, 2011). Regarded as the critical “interfacing mechanism” between the local and the global (Yeung, 2009: 199),

[5] Enriching perspectives on network functionality, calculations have been developed in recent work to, amongst other things, identify those places that exert the most “command” and “control”, as well as identify those places that broker and facilitate links across the urban network (Neal, 2011).

“strategic coupling” - along with a roster of evolutionary classifications such as “re-“ and “de-coupling” (Mackinnon, 2012) - has been proposed to help make sense of the role of territorial settings within spatially dispersed production systems (Coe et al., 2004).[6]

Embeddedness is touched upon in the aforementioned literatures and Dicken and Thrift (1992: 287) remark, moreover, that business organisations are “produced” through a “complex historical process of embedding”. Embeddedness, however, has a varied heritage and use in the academic literature. Though key progenitors can be found in economic sociology, Grabher (1993) appears to be one of the first to employ the term within economic geography. However, the spectre of “fuzzy” theorising has loomed large for some (Hess, 2004: 166 citing Markusen, 2003) and Hess’ (2004) intervention goes some way to address this by setting out the varied forms that embeddedness can take; notably by distinguishing “territorial”, from “societal” and “network” embeddedness. Territorial embeddedness, with links to institutional thickness, is a core concern of this paper with a focus on the extent and ways by which an actor is “anchored” at a particular place (Hess, 2004: 177). Network embeddedness, similarly a central concern in this paper, points to relationships amongst individuals within organisations (Hess, 2009: 426). Finally, Hess’ notion of societal embeddedness points to traits and tendencies derived from actor origin and heritage. Critical to Hess’ contribution is the overlapping nature of the three forms of embeddedness (Hess, 2004: 178). The notion of embeddedness has recently been critiqued, with epistemological flaws purportedly identified based on a perceived reversion to an “economy/society binary” *inter alia* (Jones, 2008: 85). Appealing to the social forces that actor-network theory (ANT) serves to highlight, Jones and Murphy (2010: 21) propose a practice orientation in economic geography, which steers attention to the “everyday”. It is argued in this paper that a thorough conception of embeddedness requires a complex analytical negotiation of agential and structural phenomena in socio-economic systems.

The durability of the firm-territory nexus comes into question when we look at territorial embeddedness at the second-tier context, and previous experiences of multi-location firm integrations in the Scottish context give cause to be wary. The “Silicon Glen” programme - effective from the 1950s through to the 1990s - reflected active industrial policy, aiming to attract and anchor high-tech North American manufacturers supported by incentives (Dimitratos et al., 2009b; Haug, 1986). The withdrawal of key activities, as incentives diminished or became redundant and as competition from other places took effect, have led some to question the developmental legacy of the scheme (Turok, 1993; McCann, 1997; The Scotsman, 2007; McKim, 2016). Financial services undoubtedly exhibit a distinct sectoral heritage in the Edinburgh and

[6] Yeung and Coe (2015) have sought to strengthen the explanatory capacity of GPN work in light of criticism directed at initial GPN conceptions, and other contributions within relational economic geography (Sunley, 2008).

Scottish contexts that sets it apart from the Silicon Glen experience. Nevertheless, due to merger and acquisition (M&A) activities that have shaped the sector – which position Edinburgh offices within the organisational scope of nationally and globally dispersed firms - such office and unit roles are still contingent on the decisions multi-location firms take.

Methodology

Allowing for a suggestive conceptual framework to be developed, the findings sketched out in this paper draw on empirical material gathered from 10 interviews with firms (4) and organisations in or closely connected to the financial services sector in Edinburgh (see Appendix 1).[7] The testimony from single representatives from each firm gives space for certain biases to enter into the data. However, interviews with closely connected organisations including professional advisory firms, who work with firms on strategic and regulatory matters, and industry and government bodies, who seek to support the sector, serves to provide a view of sector functionality that is not subject to that of an executive within an Edinburgh asset servicing unit.[8]

A list of firms in Edinburgh was compiled using a combination of sources and notably a firm directory compiled by an industry body.[9] Additionally, initial orienting discussions with senior industry figures helped to pinpoint key personnel within firms. Senior level managers with a line of sight across the business - such as strategy executives and unit managers - were sought in terms of target research participants. Interviews took place between mid-2012 and mid-2013. Notations in the empirical sections of this paper are given as: “AS”, “Related Firm” and “Related Organisation”. The first term refers to the asset servicing units, while “Related Firm” connotes representatives of firms in Edinburgh’s financial services sector that are not asset servicing units, but can reasonably be expected to have an understanding of asset servicing activities and their geographies. “Related Organisation” refers to government linked economic development agencies, professional services firms, such as global consultancies, and industry bodies (who may operate on a membership basis and play advocacy roles for the sector).

In this paper, all asset servicing units referred to are part of multi-national firms. Six global firms – the majority of which have headquarters in North America – have been identified in the city.

[7] Questions asked and undertaken in a semi-structured manner, included: nature of connections to the wider firm structure; impacts of firm strategic positions and changes; impact of regulatory initiatives.
[8] Additionally, firm interviewees (AS 3) would cite spending substantial periods of time working away from the Edinburgh office, and, in some instances, may control or have oversight of firm functions based in units in other UK cities. This gives some confidence that a wider firm view, not a purely Edinburgh-centric position, can be taken from the interview data. It is important to obtain this perspective given this paper takes the position that decisions made at a distance from Edinburgh have a role in shaping what activities take place in Edinburgh.
[9] Notably the list given publicly, on the website that identifies Scottish Financial Enterprise members.

Though limited by a small sample of firms, the single case that follows allows the specifics of the Edinburgh context, such as the path dependencies and institutional configurations, to be set out, and provides a basis for conceptual development which sits as the core purpose of the paper. For a city the size of Edinburgh - with a population of between 500,000 to approximately 1 million people depending on the urban definition adopted - the firms have a significant role supporting employment in the sector (as outlined prior), and their presence is therefore highly prized by policy officials. Such a sample size would be more problematic, of course, if undertaken in the context of a case study considering a larger, global financial centre (where a much wider array of sector activities interact).

The evidence base drawn from interviews is enriched by a series of documentary sources, from firm annual reports and strategy documents, publications produced by industry bodies and consultancy organisations, to articles set out in various media sources[10] (all indicating, in some form, what a firm does where and how this may be changing). Online search modes and searches of the business and financial press, using a firm name principally, was a key method for discovery. Additionally, links within documents were frequently useful for probing deeper on certain issues. Searches were undertaken across a three year period from mid-2011 through to mid-2014, to keep abreast of firm evolutions and changes. Documents were collected ahead of the interviews, so questioning could be targeted, and following the interviews so as to check or develop upon points and issues raised. The volume of documents for each firm varied - as did the nature of detail within such documents - however, in the region of 25-35 documents per firm were identified. Typically half of these were corporate or policy documents, the remaining half were of a journalistic nature.

Edinburgh and Asset Servicing

Edinburgh is a notable financial centre in the UK context. As at 2014, the financial services sector, with 36,700 employees in the city, accounted for 11.4% of all jobs in Edinburgh[11] (City of Edinburgh Council, 2016). Across the UK, 3.4% of all jobs are in financial services (Tyler, 2015). Data suggests that, as at 2014, “financial and insurance activities” contributed approximately £3.9 billion to output in Edinburgh.[12] Recent employment data provided by TheCityUK (2016), a financial services lobbying body, shows that Edinburgh - closely followed by Manchester, Birmingham and Leeds - is the largest financial centre in the UK outside of London (data here

[10] The Scotsman, Herald Scotland and Financial Times, for example.
[11] Defined as “financial and insurance” citing ONS BRES.
[12] Gross value added (income approach) at current basic prices. ONS Regional Gross Value Added (Income Approach) - https://www.ons.gov.uk/economy/grossvalueaddedgva/datalist?filter=datasets

includes “related professional services”). The Global Financial Centres Index (GFCI), which assesses the competitive conditions of global financial centres, places Edinburgh at 56, with a falling rank position following the GFC (Yeandle and Mianelli, 2016).[13]

A deep financial heritage exists in the city, stemming back to the establishment of the Bank of Scotland in the late seventeenth century to support Scottish attempts at empire building, in part. The formation of the Royal Bank of Scotland and the British Linen Bank in the early to mid-eighteenth century – strengthening banking competencies - followed by the rise of life insurance, pension and asset management functions in the nineteenth century, were core to the development of the financial centre. Recent events, notably the challenges brought about by the global financial crisis (GFC) have placed question marks around Edinburgh’s future as a financial centre. While some authors have signalled the end of Edinburgh’s role as an “independent banking centre” (French, Lai and Leyshon, 2010: 77) - citing doubts about where the centres of power within Edinburgh’s large banks will be located (also see Peat, 2015; Related Organisation 5) - other observers remain “cautiously optimistic” about the future ahead for the broader sector (PwC, 2012). Additionally, the entry of new players into the retail banking sector (Tesco Bank and Virgin Money, for example), and, perhaps, most significantly, Edinburgh’s successful bid to house the head office functions of the Green Investment Bank (BIS, 2012), are seen by many to given a nod to the city’s ongoing capabilities and credentials. Such a broader industry context has reputational implications for Edinburgh as a financial centre (French, Lai and Leyshon, 2010: 76), and may shape labour market functionality given workers in asset servicing may shift and work across different sector functions over time. An initial drop in employment following the financial crisis appears to have been clawed back (Wojcik and MacDonald-Korth, 2016; FiSAB, 2013; City of Edinburgh Council, 2014)

Asset servicing activities are often set within large international banking groups (some are “global systemically important financial institutions” (G-SIFI))[14], and, relate to operational and processing roles in the post-trade context. One interviewee remarked regarding her/his role:

> “… take a fund manager or pension fund manager ... they are investing in assets, equities, bonds ... they are making investment decisions, allocation decisions ... to invest in particular assets and geographies. So we do everything post that. We will settle the transactions, make sure money is in the right place, value the funds every day, create a fund price every day, we account for it, do

[13] Though an improvement from rank position 71 in the September 2015 index. Glasgow is positioned at 59 in the 2016 index, a lift from position 70 in September, 2015.
[14] These “are institutions of such size, market importance and interconnectedness that their distress or failure would cause significant dislocation in the financial system and adverse economic consequences” (Bank of England [no date])

> all the taxation ... Fund managers can focus on their expertise, can concentrate on acquiring new clients and making investment decisions" (AS 1).

Some asset servicers have remarked that they see themselves as "utility" or "infrastructure" providers, typifying their supportive role (AS 1). Fallout from the financial crisis and an emphasis placed on regulation has led to a renewed focus, some believe, on the performance of, and investment in, such back and middle-office operations (EY, 2015; Ricketts, 2011; AS 1). With respect to organisational scope and structure, the middle and back-office functions of an increasing number of investment bank and fund management activities are now undertaken by independent administration and custody providers (PwC, 2009; EY, 2015). Outsourcing asset servicing responsibilities reflects an increasing desire by a number of fund managers and investment banks - the "buy" and "sell" sides of the financial market - to focus on their core transactional and client-facing competencies.

The effect of such arrangements in the Edinburgh context, is that tangled webs of inter- and intra-firm connections exist. The asset servicing units in Edinburgh may be bound within a large multi-national financial services firm that undertakes activities across the spectrum – front, middle and back office[15]. However, the Edinburgh asset servicing function may be linked via transactions to independent banks and fund managers, rather than, or as much as, the banking and fund management activities of the firm within which it is incorporated. Indeed, through providing a client base, interviewees remarked that Edinburgh's well established asset management community serves to bolster the asset servicing functions undertaken from the city (AS 1; AS 3). One interviewee stated that "asset servicing is highly dependent on the community that is here [in Edinburgh]" (Related Organisation 4) while another pointed to having "a lot of Scottish clients" and identified proximity to big institutions" as being supportive (AS 3). This illustrates how both global ownership and contractual relationships shape the activities undertaken in Edinburgh. Maintained through these entanglements, however, is a sense that many trading activities will require the dense transactional and reputational conditions presented in the global hubs of London and New York. Edinburgh, with many of the prestige front office activities seemingly out of reach, is seen to have a role in enabling and supporting such activities.

Whether asset servicing units reflect a durable set of activities that will continue to support regional development is a thorny question warranting careful scrutiny. Assessing media announcements that offer a granular perspective on firm-level employment change across the financial services sector, one can observe strengthened roles and employment counts for some

[15] The terms typically refer to sales and trading at the front office to operations and administration at the back office. The middle office undertakes strategies, controls information technology systems and performs risk management, which shapes the work of the front and back offices.

asset servicing units (The Scotsman, 2011a; The Scotsman, 2011b). Looking at evidence from Glasgow and Manchester – where prominent asset servicing functions have also emerged - similar employment effects can be pointed to (Oran, 2016; Jupp, 2013). It should be recognised, however, that employment change for some units in Edinburgh have been negative on occasion (Sharp, 2012).

Conceptual Framework

Different aspects of agency and structure come into play in the firm-territory nexus and we need to understand the interplay between them. Dicken and Malmberg (2001: 350) discuss agency-structure tensions in terms of firms within industries, noting: "A systemic approach forces us to concentrate on structures at the macro or meso scale. However, the primary agent within industrial systems is the firm … Although we cannot understand how firms behave without a clear understanding of their structural position, neither can we fully understand the workings of industrial systems without an understanding of firms". Meanwhile Jones' (2008: 86) remarks, with reference to embeddedness, that an approach is needed that "adopts a more sophisticated conceptualisation of structures as consistencies reproduced by social practices". In the context of this paper, structures relate to conditions of the wider firm and indeed industry that the asset servicing unit in Edinburgh is responsive to, and, in terms of territory, conditions of the city the unit is acting within. Conceptually, such complexity may benefit, in an explanatory sense, from a move toward a spatial morphogenesis approach. Morphogenesis is a term discussed in sociological and critical realist literatures (Archer, 1982) and the associated conceptual proposition is returned to in the discussion section.

The embeddedness literature and the critiques steered toward it, vacillate in terms of analytical commitments to agency and structure dimensions and how there cohere geographically. The more recent adoption of actor-network theory - though pointing to critical micro-level observations and their nuanced relational configurations (Jones, 2008) - advocates a perspective, a missing or neglected take on phenomena, rather than offering a framework that lends itself to explanation (Storper and Scott, 2016). What we are trying to reveal in this paper, are the intersections between network embeddedness and its varying agential qualities, and territorial embeddedness and its like qualities. When we focus on the multi-location firm unit, we examine a set of activities, logics and routines responsive to both forms of embeddedness and Figure 1 illustrates how the nexus acts as a hinge or transmission system between territorial and network embeddedness.

Figure 1 – Outline conceptual framework for the firm-territory nexus

[insert figure 1 about here]

Fleshing out the categories given in Figure 1, the mechanisms set out in the following empirical section should be treated as suggestive. They reflect starting points in an endeavour to uncover how middle ground financial centres – centres with a heritage in the sector but without the locus of activity in global centres such as London nor the cost advantages provided in some new, emerging centres - may hook into multi-locational financial centre networks.

Mechanisms of the Firm-Territory Nexus

To structure the empirical material and analysis in what follows, we organise material around the firm-network and territory contexts. First we look at mechanisms that can be broadly grouped

under territorial-based settings and conditions (linking to territorial embeddedness) and then firm synchronicity and co-ordination (linking to network embeddedness). The two dimensions should be seen as broad categories, as a number of the mechanisms may point to qualities of either side, reflecting the innate complexities of the firm-territory nexus. The mechanisms are postulated as, in some form, shaping the nexus, and the mechanisms take on both structural and agential qualities in the context of a multi-location firm unit in Edinburgh. Agency of individuals within the asset servicing unit is noted as a separate mechanism, given this acts as a hinge between the territory and firm-sides of the conceptual framework; the unit is at the same time firm and territory-based. Furthermore, as the mechanisms are outlined below, relevant literatures are noted where they point to or reinforce the importance of a suggested mechanism (this accords with the suggestive rather than definitive tone of the material presented).

Territorial-based Settings and Conditions

Cost/Value Proposition

Relevant to most asset servicing units in Edinburgh is the cost/value proposition. In this respect, the ability of firms to conduct servicing functions away from global financial centres, like London, so as to benefit from lower wage and rental costs, is widely recognised (Noonan, 2016). The significance of the cost/value proposition was not without qualification, however, with one interviewee suggesting that while Edinburgh is certainly a lower-cost location than London, it is, in terms of both land rents and wages, still a relatively expensive city in the wider UK and European contexts (Related Organisation 1). On this issue, a further interviewee remarked: “We rate all of our centres by low cost or high cost … Edinburgh is in the reasonable box” (AS 3). These comments suggest Edinburgh has a balance to strike in terms of not being a global financial centre nor the cheapest production site (both strong pull factors for operations activities in financial services) (Porteous, 1999; Noonan, 2016; Arnold and Noonan, 2016).

The cost/value issue generated varying responses from interviews in terms of what benefits if provides for holding down, at a territory, sector activities. Those within asset servicing units openly point to the growing importance of lower wage localities in financial services production networks; indeed a number of the firms consulted have diffuse production geographies encompassing such locations (AS 2; AS 4). However, rather than viewed as a looming threat, as cost pressures increasingly bear down on unit operations, some interviewees suggested lower wage centres have a role in complementing and even building capacity in Edinburgh functions (AS 2). In this respect, interviewees hinted at a spatial division of labour, with lower wage centres taking responsibility for early-stage data preparation (activities which are regarded as more

routine, typically). This work is then passed onto centres, like Edinburgh, where the information is verified and delivered to an end user (AS 4). Interviewees noted that where the business can increase work load and volume, the spatial division of labour allows Edinburgh to participate in increasingly sophisticated functions and activities; “if we hadn’t had a resource in Poland [we] couldn’t support the growth that has occurred in Edinburgh” (AS 2). Other interviewees were less convinced about the lines being drawn, however, and wondered whether, over time, the activities undertaken in Edinburgh would be vulnerable to re-location by virtue of a dominant cost logic and competition on skills bases (Related Organisation 3; Sharp, 2012).[16] A useful viewpoint raised by one interviewee is how an Edinburgh operation would look to an executive “sitting in New York” and what would distinguish the operation from other locations, such as Poland, mindful that some organisations have dedicated resource which analyse “footprints across the globe” (AS 3).

Government Roles

Additionally, perspectives on state roles supporting asset servicing functions varied across the interviewees conducted. One interviewee remarked: “the companies here do not get any incentive ... they choose to be here because they want to be here”, and went on to site clusters of firms in the city and depth in skills bases as key local factors (AS 1). Other interviewees pointed to the supportive role played by policymakers and the relationships struck with senior politicians who are seen to be committed to supporting the sector (AS 3). Related to this, the Financial Services Advisory Board (FiSAB), members of which are appointed by the First Minister of Scotland, was set up to provide an ongoing forum and channel for dialogue between the sector and policymakers and to support the sector in Scotland more generally.[17] It remains to be seen what state roles may emerge or fall away as the implications of Britain’s exit from the European Union becomes clearer. In other financial centres, state incentives may play important roles in attracting and anchoring firms, which figure into the competitive dynamics across financial centres (Gally, 2015; Carvalho, 2015).

Firm Synchronicity and Co-ordination

To decompose the firm strategies and logics shaping the firm territory nexus, we look at locational calculations before considering system issues concerning how the asset servicing unit is viewed within the firm and what functional role the unit performs.

Locational Logics

[16] Interviewees also pointed to the increasingly broad and cutting edge skills now present in emerging labour markets.
[17] http://www.gov.scot/Topics/Business-Industry/finance/meetings/termsofreference

The entry of asset servicing units may be achieved through a range of transactional forms, from greenfields investment to an M&A involving an existing business unit. Different organisational processes - such as a locational tournament of sorts (AS 2) – have also been used to make determinations of centres of excellence (CoEs) in asset servicing (CoEs are discussed further below). Before mode of entry is established or decisions to strengthen a unit are made, a series of factors enter into firm calculations. While a number of interviewees deemed the cost/value proposition to be of prime importance – factors which typically reflect local dimensions -other factors noted by interviewees included: one, risk management and not having all the firm's functions placed at one location (Related Organisation 4); two, orchestrating the global network so as to benefit from different epistemic communities located in different territories (in other words, employees thinking about problems in different ways) (Related Firm 1); three, and somewhat building on the former, the skills and human capital profiles of different financial centres (AS 1; AS 2; AS 4; Related Organisation 3; Related Organisation 4); four, "follow-the-sun" which reflects operations activities aligning with market opening times and bridging shifts in the global trading day (as markets in Europe close and continue in the Americas, for example) (AS 1; AS 2); and, fifth, "near-shoring", which reflects the movement of activities close to other activities undertaken by the firm, and hinges on the notion that, whilst still important, cost advantages need to be held in balance with the importance of synchronising operational services and minimising potential information gaps. It has been remarked by TheCityUK that nearshoring has supported unit activities in Edinburgh (Murden, 2012).

Unit Recognition and Status

Intra-firm recognition points to how a unit is viewed and regarded across the wider multi-location firm. Recognition is a key issue for units identified as CoEs – a label given to a number of asset servicing units in Edinburgh - which has been defined, in the academic literature, as: "... an organisational unit that embodies a set of capabilities that has been explicitly recognised by the firm as an important source of value creation, with the intention that these capabilities be leveraged by and/or disseminated to other parts of the firm" (Frost et al., 2002: 1000). CoEs – sometimes given alternative labels such as "global delivery centres" (BNY Mellon) - are thus designated centres within a wider firm network, recognised for particular competencies or qualities in production (Holm and Pederson, 2000b). In this research, interviewees referred to centres of excellence with respect to specific value chain functions undertaken from an Edinburgh

unit – a “centre of excellence for cash administration” or a “centre of excellence for transfer agency”[18], for example (A102; A103).

Forsgren et al. (2000) argue that CoEs can be formally or informally recognised – through an express title or simply acknowledged by senior managers as performing a specialised, in-demand competency within the firm - which resonates for financial services firms in Edinburgh. For some asset servicers, CoEs are recognised in key strategic documents - such as annual reports - that set out how the unit is, or will, contribute to the key objectives of the global business (AS 2; AS 3). For example, the central role of CoEs is promoted in the following statement from a major financial services institution: “This transformation of our operating model, including the move to our patented private cloud environment and expansion of our use of *centres of excellence*, substantially bolstered our capacity for change and innovation.” [self-italicised] (State Street, 2014). One interviewee, remarking on unit centrality within the firm, noted that his office is “involved in developing the proposal” with respect to supporting an “overall” firm wide “efficiency drive” (AS 2). As a clear role and responsibility is detailed, autonomy benefits may follow. Furthermore, where “specialist services” involve the development or trialling of new processes and projects, it is plausible that possibilities may open up for deeper local supply chain connections – connections not typically afforded through centralised procurement and costing structures (where procurement decisions for the wider firm are typically made away from Edinburgh unit) (AS 2).

Interviewees in Edinburgh, commenting on whether the CoE title attached rules or broad guidelines for an asset servicing operation, suggested the latter is more obvious, though one interviewee remarked that guidelines are “threatening to become rules” (AS 3). It was remarked by one research participant furthermore, that the resonance of the CoE title across the firm would “depend on who you speak with” (AS 3). Some would point to a key strategic role, while others would suggest CoEs reflect too much decentralisation from the firm’s head office, alluding to risks associated with a loss of control (AS 3). In this sense, CoE roles and the development possibilities for such units may be contested within firms.

In summary, how the Edinburgh asset servicing unit is recognised across the firm may matter in terms of, one, the view taken by head office about the unit’s centrality to the wider firm; and, two, the ability of the unit to attract and recruit resources (see Mudambi et al., 2014 for a broader discussion on headquarter and subsidiary relationships). An understanding of the fickle nature of firm investments and recognising the problems with CoEs being self-diagnosed by firms

[18] Defined by ft.com/lexicon as: “An organisation utilised by mutual fund companies and other financial services firms to prepare and maintain documents and records relating to shareholder accounts” (http://lexicon.ft.com/Term?term=transfer-agency)

themselves, in a somewhat ad hoc manner, needs to be retained. One interviewee remarked, for instance, that "companies are very mobile … you can never say forever" and suggested, in terms of CoE designations, that further exploration is needed to determine where the line should be drawn between "corporate rhetoric [and] substance" (Related Organisation 4). However, firm wide recognition - as opposed to just being another largely anonymous office within the global firm network – may plausibly be seen to support a commitment to a particular financial centre.

Functional Role

The nature of activities undertaken by an asset servicing unit and the extent to which such activities are utilised across the wider firm network, was raised by one interviewee as relevant to the firm-territory nexus (Related Organisation 1; Related Organisation 5). On the one hand, where a unit simply performs routine functions, few benefits for regional development may be seen to accrue beyond immediate, perhaps low-wage, employment effects. On the other hand, for a unit that is charged with conducting a strategic function central to the wider multi-location firm, more concrete opportunities for regional development may be seen to emerge (given the possible need, for example, of specialised hiring and possibilities for procurement). Functional role has implications for the nature of firm integration therefore. Providing conceptual clarity, Holm and Pederson's (2000a: 6; 2000b: 5) notion of "unit of excellence" (UoE), referring to a business unit with a distinct competence but less wider firm use (as compared with CoEs) provides a useful distinction and may offer a better reflection of those asset servicing units in Edinburgh operating in more routine, processing aspects of asset servicing.[19]

Issues pertaining to policy interventions and the starting points for sector development strategies, may usefully be approached in terms of the CoE and UoE distinction. For instance, some interviewees suggested Edinburgh faces a choice between seeking to strengthen the financial services sector in terms of being a "high volume-low value" centre or a "low volume-high value" centre (Related Organisation 1). This picks up on the idea that while routine activities can provide critical jobs in the short-term, questions about the sustainability of cost logics in the city should provide impetus to think about how core, strategically-centred firm activities can be brought to or reinforced in Edinburgh.

Overlaying any functional targeting, however, must be a broad appreciation of an activity's locational pressure points within a firm. Speaking from a senior management position within an

[19] Moreover, the existence of a "unit with local threshold competence" (a unit with "neither distinctive competencies nor extensive corporate usage of their competencies") and a "non-excellent centre", units with low competencies at present but with a desired role identified by the firm, cannot be discounted from the Edinburgh financial services context (Holm and Pederson, 2000b: 6-7).

asset servicing unit in Edinburgh, one interviewee pointed to how capacity constraints may emerge in particular financial services locations: “Edinburgh is not London or Frankfurt ... there is a danger of saturation [in asset servicing] ...” (AS 2). In other words, demand for certain talents and labour pools can lead to cost escalations or supply challenges that are less favourable to firms. Other activities, not subject to such cost logics, with more permissive wage parameters and closely connected to a firm’s core strategy, may be subject to less pressure. Further reflecting the middle ground of financial centres – and mindful of the varied activities within asset servicing - the aforementioned considerations suggest the need to drill down into the varying functions within a sub-sector where possible, enabling a granular view of the activities a particular second-tier financial centre may accommodate. Though set out in somewhat idealised terms here, this discussion serves to illustrate that local labour markets and firm integration will, to some extent, be recursively produced.

Ideally, a wider range of city growth factors should also inflect considerations pertaining to what functional roles a financial centre should seek to capture. Indeed, where labour pools are deep and exhibit a range of qualities (such as in qualifications), and where office and land markets provide diversity and satisfy firm changes and evolutions – such as the desire for large floor plates - one could make the case that supporting activities at both ends of the value-volume spectrum will be important. Financial centre aspirations in Glasgow, and asset servicing roles within two major firms there, should also figure into how Edinburgh’s role as a financial centre – in terms of employment, industry scope and the nature of roles sought – is considered (Related Organisation 5). This is particularly important when considering Scotland as a wider site for financial services (the focus inevitably taken by Scottish Enterprise and Scottish Development International, as national bodies) and when one considers the differential incentives on offer between the two financial centres (where “regional selective assistance” can be provided to firms in the centre of Glasgow, as an “assisted area” (IFSD Glasgow, 2016), but not to firms in the financial districts of Edinburgh).

Unit-based Agency

The mechanisms above set out structuring contexts, at network and territorial dimensions, for the firm-territory nexus. Managerial and unit-based agency, shaped by these dual contexts, have critical roles in mediating the nexus. Agency and related notions of autonomy – defined as “independent activities and processes, free of organizational constraints” (Dimitratos et al., 2014: 67) – shapes scope for change that may emerge from the Edinburgh-based unit. The following empirical material gives some indication of agency being in effect in the Edinburgh context.

Autonomy is a mechanism that Dicken and Malmberg (2001: 357) expressly reference and points to a key hinge of territorial and network-based qualities. In this respect - and picking up on insights given by Dimitratos et al (2009), Birkinshaw et al (2000) and Birkinshaw and Morrison (1995) - branches or subsidiaries led by someone with strong leadership capabilities who is respected across the firm, may, through exercising agency, bolster the role and "value-added" component of the Edinburgh function (Dimitratos et al., 2014: 67). Autonomy is a much debated issue in the literature with contestation concerning the challenges to firm cohesion that can emerge - such as through instances of "empire-building" - and the fact that levels of autonomy can change over time, as headquarter perceptions of a unit's role change (an independent unit may start to be viewed as a threat, for instance) (Birkinshaw et al., 2000: 325). Here tensions between corporate and territorial embeddedness can emerge (Andersson and Forsgren, 2000). The challenge of assessing autonomy in an interview-based approach hinges on self-declaration to some degree.[20]

Interviewees in Edinburgh offered differing perspectives on the issue of permitted agency and autonomy. All acknowledge that fit and alignment with the firm structure – or "imposed function" (Birkinshaw and Morrison, 1995: 733) - led from the head office, is of critical importance. Indeed, recent measures taken centrally by global financial services firms to alter business models and prune cost structures will continue to impact Edinburgh along with other financial centres. However, within such reporting structures, a number of interviewees spoke of their access to senior decision makers within head office and expressed a degree of confidence that ideas about the direction of the Edinburgh office - such as possibilities for expansion and innovation, through "internal lobbying" (Dimitratos et al., 2014: 73) - would be entertained (AS 1; AS 2; AS 4). Being in a position to bolster the strengths of the Edinburgh unit across the wider firm may also be connected to the reputational qualities of the office. One interviewee, working in a public sector capacity in Edinburgh, spoke about initiatives undertaken by his organisation that seek out individuals with a demonstrable independence and leadership capacity (Related Organisation 2). Here the organisation seeks to work with the firm manager and, when possible, give support where cases to strengthen the role of the Edinburgh operation can be made. Further to advocacy, the ability of a unit leader to negotiate transactions with other firms in the city and to undertake M&As in the local context – for example, Citi's transaction to administrate Standard Life's funds (Citi, 2009) and Citi's acquisition of Scottish Friendly's wrap administration business[21] (Scottish Friendly, 2011) - may offer further signals that autonomy supports the presence of a unit at a particular location.

[20] However, outsiders with proximity to the firm can offer some perspective as can certain documentary sources.
[21] Administrating an investment portfolio tool.

Agency reflects, in summary, some ability for an office unit to determine its own development trajectory, by effecting unit decisions or trajectories on the basis of signalled competencies and reputation. As intimated above, however, autonomy is conditioned and enabled by other factors, and room for agency is subject to change, such as possibly being reined in. In order to distinguish CoE particularities, the question may usefully be posed as to whether such agency can be enacted by managers within CoEs, exploiting a particular strategic role within the firm, more so than other branch or subsidiary units.

Discussion

The decomposition of mechanisms underpinning the firm-territory nexus above pose thorny challenges for conceptualisation, as it remains very difficult to assess the varying forces of relational and territorial processes[22], or to determine over a period of time whether practices or structures appear to be the dominant drivers of the firm territory nexus. To account for such complexity, but by no means providing a sliver bullet, morphogenesis - which holds the dualistic nature of structure and agency - can be usefully adopted as a conceptual framing. Though spatial sensitising is ultimately required here, a morphogenetic approach considers that agency takes place in existing structures, not on the head of a pin, and that structuring shapes the nature of the agential practice itself and its consequent ability to reproduce or change the structure (Archer, 1982). Morphostasis, which sits on a continuum with morphogenesis (Archer, 2010), refers to the persistence of a social system or structure despite the “ineluctable creativity” of agents (Porpora, 2013: 29). System change or persistence ultimately hinge on the specificities of place and time.

How agents change as a response to structural conditions and shifts is termed “double morphogenesis” (Archer, 2010: 274). As an example, consider the firm unit responding to a firm-wide cost cutting imperative or taking up an opportunity for expansion given new local premises becoming available. Alternatively, consider a unit performing routine asset servicing activities at one point (t0) then transitioning up the value chain to take on more sophisticated roles, at a later point (t1) as a result of changing technology uses or managerial advocacy (perhaps both). The latter serves to illustrate, furthermore, the useful evolutionary component of morphogenesis, as it positions agency as a response to structural conditions at a point in time, but permits agency to potentially change the structural make-up at a later point. Agency and structure are thoroughly intertwined, in essence, but retain their identities (they are not conflated).

[22] Processes, in broad terms, not delimited by a territorial context (relational) - in this case the multi-location firm - and processes delimited by a territorial context (in this case Edinburgh).

The challenge for conceptualising the firm territory-nexus is further heightened given that structure and agency are clearly apparent in both territorial and firm-network settings. In other words, there are multiple structures - the network-side and the territory-side - as well as agents from either sides, and agents who are both firm- and territory-based contemporaneously. Archer's notion of morphogenesis occurring across two domains – expressing, in her work, how agency operates within social and cultural structures – appears relevant here (Archer, 2010: 284). In the context of the financial centre, the concept holds for thinking about a unit manager responding to both firm structures (like a strategic direction) and territorial structures (such as the availability of floor space or skilled labour). These structures may shift at the same time, meaning the agent (manager) is enrolled in a double sided negotiation, and such shifts may have implications from the trivial, to shifts that trigger what the unit can do at the financial centre (and, at the extreme end, whether a unit's activity at a territory can be sustained). As a conceptual contribution, it may be useful to develop a typology of agent roles, from a passive receptor of network settings at one end of the spectrum (the agent or manager feeding down the firm perspective) to an advocate of a territorial setting at the other (a local promoter).

In terms of broader conceptualisation issues, there is also the matter of activities not at the firm-territory nexus, but that nevertheless shape how the firm-territory nexus emerges. In this sense, competition from other financial centres - though not part of Edinburgh's immediate firm-territory nexus as such - may shape the Edinburgh context by pulling activities away or preventing new activities from reaching in to locate and operate from the centre. In the interviews set out in this paper, cost competition was noted as a key dimension. We therefore need to pull in to our conceptual work how other financial centres interface with and condition network embeddedness.

Figure 2 – Refined conceptual framework

[insert figure 2 about here]

Figure 2 points, in summary, to the role of the firm territory nexus as the mediator of network and territorial embeddedness fusing through actor and unit-based activities. It shows that the activities of an asset servicing unit in Edinburgh hinge on the interplay between the two modes of embeddedness, and mechanisms such as unit-based agency, CoE recognition and territory-based state support will feed into the nexus that emerges. Which of the aforementioned mechanisms dominates is an empirical matter that is likely to change over time through the movement of the morphogenetic cycle.

Conclusion

The paper has offered a revised conceptual framework for the firm-territory nexus acting as a transmission system between territorial and network embeddedness. Developed in the context of Edinburgh as a financial centre, it has been suggested that the complexities of second-tier centres differ from global centres and indeed low-cost centres, where clearer pull factors can be pointed to. When considering the firm-territory nexus, one is confronted with a range of constituting factors. Multi-location firm production networks rarely stay still, moreover, and fluidity

is amplified by the competitive effects between financial centres. Such territories, ensconced within their own national regulatory and strategic contexts, may be able to offer different advantages and incentives to attract and embed firms. In the UK itself, policymakers in cities such as Leeds, Manchester and Belfast have set out strong ambitions to develop their financial services economies.

The contingency of the suggested firm-territory mechanisms relates to unit-based agency relying on firm recognition and functional role in bringing about some degree of fixity. In other words, the emergence of unit autonomy as an embedding mechanism will hinge on the presence or absence of other factors. Moreover, such mechanistic interplay can be shaped by varied structures and agential moments reflecting both network and territorial conditions. For example, a shift in how the headquarter views the asset servicing unit (a disciplining intra-firm perspective) may constrain opportunities for a unit-based manager to autonomously develop the unit (for example, employment) at a specific territory. In effect, this hypothetical example suggests network embeddedness trumping territorial embeddedness. What is suggested, therefore, is an inter-linking, evolutionary system, where a firm's integration at a territory is argued to be set in train through a set of mechanisms that are cumulatively reinforcing. How these suggested mechanisms meld together, as different forms of embeddedness collide and jostle, is the puzzle of the firm-territory nexus.

For policymakers concerned with supporting a financial centre – and comments here are restricted to matters of approach and viewing a globally orchestrated sector at a territory - a lesson to draw is that no one single factor offers the glue for firm activities within Edinburgh. Policymakers may therefore usefully eschew stylised facts to some extent, and use the mechanisms presented above as entry points to investigate, and gather evidence on, how firms and territories stitch together. This is clearly no routine task. At the same time, this paper appeals to the notion that policymakers may usefully consider the position of Edinburgh within the global financial services network, so as to ascertain the geographies that particular production roles take, and to account for, as far as possible, competitive effects across financial centres. This compels engaging with an economic geography of the outside (beyond the territory) in addition to an accounting of local stocks and assets. In some cases, moreover, a question may usefully be posed as to whether financial services is a viable or even desirable sector to focus on (perhaps for cities without the long heritage, for example).

With regard to future research, numerous steps could usefully be taken. First, examining the integration of asset servicing firms in other second tier financial centres (such as Birmingham and Glasgow) – assessing the manner and degree to which business units lodge in a unique firm-

territory nexus - may offer useful, comparative insights to advance this research area. As mentioned, however, such a comparative perspective comes at the cost of a deep exploration of a particular territorial setting. Second, and though not a new plea, a concerted attempt by geographers to take seriously the work of Management and International Business scholars, who have made headway in digging into the black box of the multi-national firm, will likely be required. Economic geography provides a critical corrective, however, in detailing the spatial nuances of firm configurations and illustrating how firm activities and the economic conditions of places inter-connect. Third and with respect to conceptual work, the challenge of specifying the mechanisms underpinning the firm-territory nexus is vast. Indeed, the researcher is confronted with a diffuse set of agential and structuring processes, working at various territorial and relational geographies. We also need to remain somewhat cautious and modest about the causal systems at play – they are likely to be changing and plural, rather than static and singular. This paper, in terms of theoretical perspective, has argued that thrusts toward ANT or rhizomatic-inspired conceptualisations (Hess, 2004; Jones, 2008) serves to enrich the illustration of social phenomena – taking into account varied phenomena (including objects) and their multiple relationships – rather than attempt to provide explanatory clarity on what is serving to underpin a firm-territory nexus. It has been argued in this paper that the concept of spatial morphogenesis may offer a useful way forward.

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Appendix 1 – Table of Interviewees

Head of asset servicing unit	(AS 1)
Head of asset servicing unit	(AS 2)
Head of asset servicing unit	(AS 3)
Senior manager within asset servicing function	(AS 4)
Senior executive - global consultancy firm	(Related Organisation 1)
Senior manager - government organisation	(Related Organisation 2)
Head of industry body	(Related Organisation 3)
Head of industry body	(Related Organisation 4)
Head of think tank	(Related Organisation 5)
Senior manager – pensions and asset management firm	(Related Firm 1)